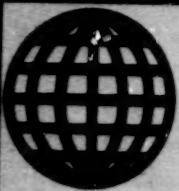


JPRS-SEA-88-051  
29 DECEMBER 1988



FOREIGN  
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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

# East Asia Southeast Asia

JPRS-SEA-88-051

## CONTENTS

29 DECEMBER 1988

### INDONESIA

South Korea Halts Madura Seabed Oil Investments	[ANTARA NEWS BULLETIN 3 Dec]	1
Papua New Guinea Military Chief Visits Jakarta	[ANGKATAN BERSENJATA 8 Nov]	1
Interest in Joining Army Increasing Among Youth	[ANGKATAN BERSENJATA 10 Nov]	1
Improved Maintenance Capabilities Enable Navy Purchases	[ANGKATAN BERSENJATA 11 Nov]	1
Staff Chief on Army's Role in National Defense	[ANGKATAN BERSENJATA 15 Nov]	2
Gunanjari on Effect of Oil Price Drop on National Budget	[ANTARA NEWS BULLETIN 10 Dec]	3
Foreign Aid for Increasing Income of Small-Scale Farmers	[ANTARA NEWS BULLETIN 12 Dec]	3

### LAOS

Results of GDR Aid, Cooperation	[PASASON 22 Sep]	4
Diplomatic Relations Established With Colombia	[VIENTIANE MAI 3 Oct]	4
Vientiane Industry Chief Holds Investment Talks With Thai	[Bangkok MATICHON 20 Oct]	4
Report on Sisavat, Thonglai Bangkok Talks	[Bangkok BAN MUANG 19 Oct]	4
General Thonglai on Thai Army Assistance	[Bangkok THAI RAT 19 Oct]	5
Columnist: Sitthi Blocks Negotiations	[VIENTIANE MAI 16 Sep]	5
Guerrillas, Security Situation in Vientiane	[KONGTAP PASASON LAO 8 Sep]	6

### MALAYSIA

Sampling of Comments on Leaders' Refusal To Join UMNO	[BERITA HARIAN 17 Oct]	7
Half of All Government Jobs To Be Reserved for Bumiputera	[NEW STRAITS TIMES 25 Nov]	7
New Gas Markets, Uses Sought	[BERITA HARIAN 19 Oct]	8

### PHILIPPINES

NPA Founder Organizes Talarao Coop With Aquino Help	[THE MANILA CHRONICLE 24 Nov]	9
Foreign Aid, Corporate Acceptance of Land Reform Law	[WEEKLY AGRIBUSINESS 18-24 Nov]	10

### THAILAND

Commerce Ministry Official Views Trade Bill Impact	[SIAM RAT 24 Oct]	12
Officials Remarks at ASEAN Trade Conference	[MATICHON 18 Oct]	13
Chatchai Concerned Over SAP Role in Foreign Trade Policy	[NAEO NA 14 Oct]	14
Finance Minister Details Loan Projects	[NAEO NA 24 Oct]	14
Administration Policy on Copyright, Trade Issues	[SIAM RAT SAPDA WICHAN 23-29 Oct]	15
Suphatra's Husband Gets Army Intelligence Job	[LAK THAI 3 Nov]	19
New Army Ranger Unit Planned	[LAK THAI 3 Nov]	19
Editorial Voices Worries on Debt	[SIAM RAT 22 Oct]	20
Central Bank: Utilities Problem Will Limit Economic Growth	[NAEO NA 21 Oct]	20
6th NESDB Plan To Be Revised	[NAEO NA 25 Oct]	21
Industry Council Proposes Export Promotion Measures	[NAEO NA 14 Oct]	21

### VIETNAM

#### POLITICAL

GDR Vietnamese Association Chair Discusses Renovation	[SAIGON GIAI PHONG 24 Sep]	23
Vietnam-Hungary Friendship Club Established		25
NHAN DAN Hails New Developments in Middle-East		25
NHAN DAN Commentary Hails Brunei Delegation's Visit		26

Third Municipal People's Council Holds 14th Meeting [SAIGON GIAI PHONG 29, 30 Oct]	26
Session Hears Economic Report	26
Second Session Results	26
Tam Dao District Holds Party Congress	27
Lam Ha District Holds First Party Congress	27
City's Contribution to New Youth Policy [SAIGON GIAI PHONG 29 Oct]	27

## MILITARY

Military Region Views Border Defense Coordination	28
---	----

## ECONOMIC

Power Line Built With Soviet Assistance Goes on Line	28
Improvements Demanded To Prevent Extensive Tax Loss [NHAN DAN 7 Sep]	28
Partial Construction Completed for Oil Refinery Complex [SAIGON GIAI PHONG 9 Nov]	29
Foreign Technology Transfer Regulations	30
Footwear Production With Foreign Partners	32
Sundries Export-Import Corporation Exceeds Target	32

## SOCIAL

Authorities Ignoring Public Concerns [NGUOI CONG GIAO VIETNAM 9 Oct]	32
New Upsurge of Red Tape in Public Security [SAIGON GIAI PHONG 6 Oct]	33



**South Korea Halts Madura Seabed Oil Investments**

42000064 Jakarta ANTARA NEWS BULLETIN in English 3 Dec 88 p A1

[Text] Seoul, Dec. 3 (ANTARA/OANA/YONHAP)—South Korea has decided to halt fresh investments in oil fields on the seabed off West Madura, Indonesia, sources at the Energy and Resources Ministry said Saturday.

The Energy and Resources Ministry, however, will continue its support for a gas field in that area, where an estimated 150 billion to 200 billion square feet of gas could be produced.

The decision was made at the Council of Economic Ministers meeting Friday.

The sources said the West Madura oil fields are producing merely 1,050 barrels of oil a day, resulting in no actual profit. Kodeco Energy Co., a South Korean firm which developed the oil fields with a Japanese company, is expected to continue production only until it can recover its operation costs.

However, the ministry expects that Kodeco could earn profits from the development of a gas field at West Madura.

For the gas field project, P.T. Gunanusa, an Indonesian construction firm, will invest \$70.61 million on a non-recourse financing basis. Korea will invest \$25.735 million, which will be used as exploration and operation expenses until late 1990 when revenue is expected from the field.

**Papua New Guinea Military Chief Visits Jakarta**  
42130026a Jakarta ANGKATAN BERSENJATA in Indonesian 8 Nov 88 p 1

[Text] Jakarta, ANGKATAN BERSENJATA—ABRI Commander General Try Sutrisno received a courtesy visit by the Papua New Guinea Armed Forces commander [PANGAB], Brigadier General Lokinap, on Monday, 7 November, at ABRI Headquarters in Jakarta.

The Papua New Guinea PANGAB's visit was the first received by Gen Try Sutrisno since becoming ABRI commander.

The two commanders used the opportunity to discuss various ways of expanding relations and cooperation between the armed forces of the two countries in order to create more harmony in the future.

The ABRI commander took the occasion to express his hope that mutual understanding will exist between the armed forces of the two countries so that if an issue arises it can be resolved quickly and fully without giving any opportunity for interference by other parties.

Brig Gen Lokinap also expressed in person his desire to invite the ABRI commander to visit Papua New Guinea in the future.

**Interest in Joining Army Increasing Among Youth**  
42130026b Jakarta ANGKATAN BERSENJATA in Indonesian 10 Nov 88 p 10

[Text] Ujungpandang, ANGKATAN BERSENJATA—Young people have considerable interest in participating in national defense in the sphere of the TNI-AD [Indonesian Army] through volunteering or through WAMIL [Compulsory Military Service].

It is very gratifying that the military profession has a big attraction for Indonesian young people, PANGDAM [Commander of Military Region] VII/Wirabuwana Major General Rusmadi Siddik said on Saturday [5 November] when he swore in 220 youths for training in the second 1988-89 class of the Army Volunteer Enlisted Men's School (SECATA) at Malino, Gowa Regency, South Sulawesi.

Similar training is also under way at the DIKLAT [Education and Training Center] at Manado, North Sulawesi, where 130 people are attending.

The PANGDAM VII took the occasion to say that the acceptance of Indonesian citizens for training as soldiers is not merely for the purpose of meeting TNI-AD requirements but also for the more long-term objective of generating and expanding national defense awareness among members of the community.

The PANGDAM regretted that only a small number can be accepted from the many who are interested because most applicants do not fulfill requirements.

**Improved Maintenance Capabilities Enable Navy Purchases**

42130026c Jakarta ANGKATAN BERSENJATA in Indonesian 11 Nov 88 p 10

[Text] Hamburg, ANGKATAN BERSENJATA—The maintenance and repair of all ships, except submarines, of the TNI-AL [Indonesian Navy] fleet can be performed within the country, Rear Admiral Basoeki, deputy KSAL [chief of Navy Staff] for logistics, said in Hamburg on Saturday night [5 November].

This has been made possible by steady improvement in the capabilities of PT PAL [Navy Shipyard Limited Company], which has been maintaining and repairing TNI-AL warships, said Adm Basoeki.

The deputy KSAL is in Hamburg to observe TNI-AL units now assigned to West Germany. This follows his visit to the Netherlands for the same purpose and for witnessing the delivery of the frigate KRI [Ship of the Republic of Indonesia] Oswald Siahaan on 1 November.



In Hamburg, Adm Basoekei attended an evening dinner with members of the Indonesian community in this city at the residence of the Indonesian consul general here.

Adm Basoekei explained briefly the efforts of the TNI-AL to strengthen fleet capabilities, especially through the addition of warships and other weapons systems needed by the TNI-AL.

"The purchase and addition of new warships of course greatly depends on developments in our economy," said Adm Basoekei.

Nevertheless, said Adm Basoekei, purchasing and adding ships will continue, especially to replace warships that are no longer usable.

With respect to the warships bought from the Netherlands, Adm Basoekei said that, although the ships had been previously used, they are more modern than similar ships of other countries now that they have been repaired, modified, and outfitted with additional equipment of higher technology.

Adm Basoekei mentioned the KRI Pulau Rupert and the KRI Pulau Rengas, which have now joined the TNI-AL.

By buying used warships, said Adm Basoekei, their price can be merely a fifth of the cost of new ships.

With modifications and the modernization of equipment, however, they are still expensive, stated Adm Basoekei, who said that the additional cost of modification and the addition of equipment was about \$30 million.

The KRI Oswald Siahaan is the fourth ship of its type bought from the Netherlands.

**Staff Chief on Army's Role in National Defense**  
*42130026d Jakarta ANGKATAN BERSENJATA in Indonesian 15 Nov 88 p 10*

[Text] Jakarta, ANGKATAN BERSENJATA—A country sets up its armed forces basically to protect its sovereignty and its existence as a nation and a state from threats from any source.

With this objective as a foundation, it then determines basic duties and functions that give direction and guidance to action for reaching the objective. Approaches to determining these basic ABRI duties are always viewed from the aspect of its two roles as a HANKAM [defense and security] and SOSPOL [sociopolitical] force.

Because the basic duty of the Army is as an integral part of ABRI and as a component of forces for the land aspect of national defense, it acts as a HANKAM and SOSPOL force. By understanding these roles and putting them

into practice, we will be able to incorporate them into optimal performance of duty.

KASAD [Chief of Army Staff] General Edi Sudradjat said this at Semarang on Saturday, 12 October [as published], in his instructions to officer candidates and higher ranking personnel of KOREM [Military Area Command] 071/WK, KOREM 073/MKT, and the Semarang Garrison at the beginning of a 5-day working visit to KODAM [Military Region Command] IV/Diponegoro. His instructions followed a brief unit report by PANGDAM [Military Region Commander] IV/Diponegoro Major General Setiyana on the situation in the KODAM as they relate to local conditions.

At another point in his remarks, the KASAD said he hoped it would be understood that work productivity is the output of elements interacting with each other in a process. These elements include disciplined cooperation and use of time, skills, expertise, seriousness, enthusiasm, service ethics, responsible attitudes, and belief in one's assigned duties.

**Good and Skilled**

Similarly, on a visit to YONIF TER [Territorial Infantry Battalion] 410/Alugoro, Blora, the KASAD told soldiers that in order to be an effective defense force they must be able to draw on past experience in operational duties. Such operational experience can provide skills that will enable them to quell every threat, whether from outside or from within.

He said that to improve the skills of the troops through training there should be a feeling of partnership and mutual dependence among DANKI's [company commanders] and DANTON's [platoon commanders]. They will thus be able to better the expertise of the troops in performance of duty, in readiness, and in maintenance of both technical and tactical capabilities, which are the main tools of a soldier. When a soldier is good and skilled enough in performance of duty, no enemy will be strong.

On his visit to KOREM 074/WT and 072/PMK at the Adipura Auditorium at the Surakarta City Hall, the KASAD gave instructions to officers of those military areas, saying, among other things, that efforts toward territorial development are identical to those for maintaining and improving national resilience, since the development and expansion of national potential is accomplished by territorial development. He also emphasized to the troops that they should always exhibit simplicity and should expand their effective vigilance.

The KASAD and his party, accompanied by PANGDAM IV/Diponegoro and DAN REM [commander of Military Area] 074/WT, visited MAKODIM [Headquarters of Military District] 0725/Sragen and held a dialogue with DAN RAMIL's [commanders of Military Precincts]. The KASAD was very impressed by Second Lieutenant (Infantry) Sunjoto who, assisted by 10 of his

troops and women of PERSIT KORAMIL [Army Wives Association of the Military Precinct Command], was able to have positive impact through his efforts and good ideas.

**Ginanjana on Effect of Oil Price Drop on National Budget**

42000065a Jakarta ANTARA NEWS BULLETIN in English 10 Dec 88 p A9

[Text] Jakarta, December 10 (ANTARA) - Mining and Energy Minister Ginanjana Kartasasmita has given assurances that the national budget (APBN) will be secure even if the crude oil price is only \$14 per barrel, compared with the bench price set at \$16 per barrel for the national budget.

This was pointed out by Minister Ginanjana Kartasasmita to newsmen after the inauguration of the management board of the state electricity company PLN here on Saturday morning.

The reason for the minister's optimism is the difference of only two U.S. dollars per barrel between the bench price for the APBN and the market price.

Difficulties for the APBN will only arise if the crude price for January, February and March falls to only eight to ten U.S. dollars, the minister said when he gave a picture of probable difficulties for the APBN.

When asked about marketing, Minister Ginanjana said, there will be no problems, even from Japan, the biggest oil buyer of Indonesian crude. If it wishes, Indonesia can increase its production above the OPEC quota.

Production can be increased to 50,000 or 100,000 barrels per day, even to 200,000 barrels per day, the minister said.

The highest production ever reached by Indonesia was between 1.6 to 1.7 million barrels per day.

Ginanjana also mentioned that Indonesia will reconsider the conclusion of long term contracts for its crude sales.

**Foreign Aid for Increasing Income of Small-Scale Farmers**

42000065B Jakarta ANTARA NEWS BULLETIN in English 12 Dec 88 pp A1, A2

[Excerpt] Jakarta, Dec 12 (ANTARA)—The ministry of agriculture has received \$14 million in concessional loan from the International Fund for Agricultural Development (IFAD), with its agreement effective as from June 18, 1988.

Information obtained from the ministry of agriculture here Saturday said the funds will be used for funding the second phase realization of the project on increasing the income of small-scale farmers (P4K).

The Netherlands government and the United Nations Development Programme have also provided grants for the second-phase realization of the P4K project, to be realized in a not too distant future.

The first-phase realization of the project was considered as fairly successful, especially those in various provinces enjoying credit facilities. The first-phase project, with part of the funds obtained from the UNDP and the FAO, had been realized from 1979/1980 to 1985/1986.

The aim of the project is also to make the farmers more responsive to reform. [passage omitted]

### Results of GDR Aid, Cooperation

42060015e Vientiane PASASON in Lao 22 Sep 88 p 3

[Article by Douang Dao: "LPDR and GDR Friendship and Cooperation (on the occasion of the sixth anniversary of the signing of the agreement on Laos-GDR friendship and cooperation, 22 Sep 1982 to 22 Sep 1988)"]

[Excerpts] [Passage omitted] Assistance provided by the German Democratic Republic to the Lao people has taken two forms, grants and loans, which include many projects such as the coffee and tea project in Pak Song District, Champassak Province. This is a big project for Laos which expands the coffee-growing area and the amount of coffee production. The GDR party and government was responsible for the installation of machinery, along with technicians, the construction and assembly of 18 small repair shops, providing equipment for the National Publishing House, and for providing educational equipment for the Pak Pasak vocational school in Vientiane, the finance school in Tha Ngon, and the Dong Dok forestry school. The GDR is also helping by providing trucks for transporting goods, and there is an exchange of goods between the two countries. Laos supplies agricultural products, and the GDR supplies agricultural tools. There has been great expansion in scientific cooperation. Each year the GDR has helped to train Lao technical cadres, including high-level research cadres, mid-level trainees and accountants.

Cooperation between the two countries has expanded in such areas as timbering, producing medicines from roots, growing crops, trade, etc. [passage omitted]

### Diplomatic Relations Established With Colombia

42060022 Vientiane VIENTIANE MAI in Lao  
3 Oct 88 p 1

[Text] On 30 Sep 88 at the UN, representatives of the LPDR and the Republic of Colombia signed an agreement to establish diplomatic relations in order to strengthen relations of friendship and cooperation with mutual benefits for the peoples of both countries on the basis of mutual respect for the principles of international law and the conventions of the UN Charter and the principles the NAM. These include the struggle for peace and security for economic development and to eliminate all forms of colonialism and racism.

Both governments have agreed to appoint resident ambassadors in each country as soon as possible.

### Vientiane Industry Chief Holds Investment Talks With Thai

42070033a Bangkok MATICHON in Thai  
20 Oct 88 p 6

[Excerpt] [Passage omitted] On 17 October, the Udon Thani provincial Chamber of Commerce took a delegation and group of businessman from Udon Thani Province to

Laos. A total of 34 people made the trip. The group was led by Mr Sawat Phadungmatraworakun, the deputy head of the Udon Thani provincial Chamber of Commerce.

The delegation met with Mr Kongphang Sutthavong, the chief of the industry and trade sector, Vientiane Capital, for about 1 hour. They discussed improving trade relations between Thai merchants and the 23 Lao trading companies, or state enterprises, that are subordinate to Vientiane Capital.

The Udon Thani provincial Chamber of Commerce suggested promoting tourism, with tourists who want to visit Laos having to leave from Udon Thani Province. The Thai suggested that initially, Laos should take tourists to the Plain of Jars, Luang Prabang, and the Ngum Dam. Laos expressed interest but probably cannot take tourists to those locations because of the communications problems. Some sections of the road are impassable during the rainy season.

The Thai also suggested investing in industry. Several businessmen from Udon Thani would like to invest in Laos. Mr Kongphang welcomed this suggestion and said that he would like to see Thai businessmen invest in bicycle production, particularly bicycle tires, of which Laos is in great need.

The Thai suggested joint investment projects in the agricultural and animal husbandry sectors. Udon Thani raises large numbers of hogs. The owners are using modern techniques to raise the hogs, and they produce their own feed. These are the largest hog herds in the northeast. Laos is very interested in this.

Mr Kongphang said that the visit by this delegation was a very good sign. In principle, he would be glad to cooperate with the Thai businessman. The Udon Thani Chamber of Commerce invited a Lao trade delegation to visit Udon Thani Province at the beginning of December to observe agricultural and industrial activities there.

### Report on Sisavat, Thonglai Bangkok Talks

42070033c Bangkok BAN MUANG in Thai  
19 Oct 88 pp 1, 19

[Excerpt] [Passage omitted] At 0930 hours on 18 October 1988, Gen Sisavat Keobounphan and Brigadier Gen Thonglai Kommasit went to visit Gen Kriangsak Chamanan, the former prime minister, at his home in Bangkok. They chatted together for about 30 minutes. During this visit, Gen Sisavat chatted with Gen Kriangsak while Brigadier Gen Thonglai chatted with Mr Wong Phonnikon, the former deputy minister of agriculture in the Kriangsak administration.

After the visit, Gen Kriangsak told reporters that this visit by Gen Sisavat was just an ordinary visit. He came in order to express his desire to cooperate on all fronts. And he expressed his happiness over the fact that he



[Gen Kriangsak] had received a pardon for all criminal offenses. A reporter asked if they had discussed the Ban Rom Klao problem. Gen Kriangsak said that when things have improved, Ban Rom Klao won't be a problem. The reporter asked if they had talked about a cooperative effort to develop Ban Rom Klao. The former prime minister said that they had not discussed that. He said that he couldn't say anything about that because he has not seen the proposal. Reporters have asked him about this, and he has said that he would like the two countries to cooperate in developing this area.

When asked if Gen Sisavat talked about cooperating with Thailand, Gen Kriangsak said that he is a steadfast person and will probably try to find a way to cooperate militarily in the interests of solidarity. He said that Gen Sisavat had not told him about any proposals. He may have some and may submit them through the RTA CINC. This was just an ordinary visit with an old friend. Gen Sisavat wanted to give a party for him, but the time was limited. The reporter asked what kind of person Gen Sisavat is. Gen Kriangsak said that he is very frank and sincere. He has had dealings with him for 10 years and has always found him very approachable. He always does what he says. Gen Sisavat told him about planting the second rice crop and developing the country. Gen Kriangsak said that the government has not asked him to do anything. If it won't let him do anything, he can't do anything except to help build relations. But if the government wants him to help, he would be glad to do so. He is a Thai, too. If the Joint Public-Private Committee for Solving the Economic Problems has anything for him to do that will help the country, he will be glad to help.

Gen Kriangsak talked about Thai-Lao trade today, saying that there aren't any problems. Things are going well. Politics and trade are two separate things. If we are friends, we shouldn't fight. Fighting is outmoded. The reporter asked Gen Kriangsak what he thought about the speech given by the RTA CINC at the Government House, in which he said that regular government officials should play a political role and help provide financial aid to the political parties. The former prime minister said that he is a retired official and so he doesn't have any opinion on that.

**General Thonglai on Thai Army Assistance**  
42070033b Bangkok THAI RAT in Thai  
19 Oct 88 pp 1, 7

[Excerpt] [Passage omitted] On the second day of a visit to Thailand (on 18 October) by a Lao military delegation under the leadership of Gen Sisavat Keobounphan, the Lao chief of staff officers, Brigadier Gen Thonglai Kommasit, the deputy head of the Politburo of the Lao Communist Party Central Committee, was interviewed by reporters at Pathaya.

When reporters asked about Gen Chawalit building a parade ground for the Lao army, Brigadier Gen Thonglai said that this parade ground is located in front of Wat

Thatluang. Normally, Laos uses this for mass gatherings on important occasions just like Sanam Luang in Thailand. Previously, the area was composed mainly of laterite, but there was still a lot of dust. Brigadier Gen Thonglai also said that Gen Chawalit built this parade ground for Laos as a sign of friendship. It cost approximately 10 million baht to build this asphalt parade ground. He said that he couldn't remember all the details. A Thai construction company contracted to build this, and it hired a few Lao. He said that this is a very large parade ground.

Brigadier Gen Thonglai said that he didn't want to say too much about this, because last year, some people misunderstood and complained about this. Some people asked why Thailand built this parade ground for Laos and wondered if this was compensation for the damage inflicted on Bo Ten during the fighting. "Gen Chawalit said that this parade ground is a field of military cooperation aimed at improving military relations. It is not war compensation. I hope that you will report things correctly so that people understand that this is just one of several forms of military aid between Thailand and Laos."

**Columnist: Sitthi Blocks Negotiations**  
42060015a Vientiane VIENTIANE MAI in Lao  
16 Sep 88 pp 2, 4

["Talk" column by S. Simouksavan: "Why Do We Have To Wait?"]

[Excerpts] The third round of talks on the border dispute about the area between Bothen District in Laos and Chattakarn District in Thailand that was supposed to be initiated by the Thai has been dragging on until now. This is because of the lack of sincerity by the person behind the Thai delegation, the Thai foreign minister, Air Chief Marshall [ACM] Sitthi Sawetsila himself. At that time his excuse was to first solve a domestic crisis that had arisen. At the same time, he used his platform to attack and slander Laos, saying that Laos was not sincere in wanting to solve the problem, and that Laos had abrogated the 1907 French-Siamese agreement. [passage omitted]

We agreed that it was a good idea to first resolve the conflicts in Thailand. It was a good opportunity for the Thai Foreign Ministry to use as an excuse to drag out the talks on the Lao-Thai border dispute. [passage omitted] It can be said that it is now time for talks to be held to complete the unfinished problem. The LPDR has given the Thai government time, opportunity and reasonable proposals on both international law and justice so that the Thai government can resolve its domestic crisis, allowing the delegation of the Thai government, which is a high-level committee of Thailand, to study the basic problem on which agreement has not yet been reached, so it can make a report to its own government and state the truth about the 1907 French-Siamese agreement. This will remove the accusation that Laos has abrogated this international law, which clearly defines the border, and allow it to be used in our discussions. It is the wish

of the Lao people to live in peace with their neighbors, and this is demonstrated by the Lao government's allowing trade and communication between the Lao and Thai peoples. [passage omitted]

We truly regret that the Thai Foreign Minister, ACM Sitthi Sawetsila, who knows this agreement and is handling the Lao-Thai border dispute, has stated that the Lao-Thai border [passage omitted] is a trivial issue and that talks concerning this issue have not yet been scheduled. We are very disappointed that the Thai Foreign Ministry considers this border issue to be trivial. This would be the case if the Thai foreign minister has to listen to the orders or advice from a foreign country acting behind the scenes as to when talks should be held, or whether to wait until the weapons stockpile in Thailand is completed. [passage omitted] When political talks fail the Thai side will continue to act as it did with the LPDR. If the Thai Foreign Ministry still has to wait for a command from the foreign country to have the weapons for war arrive at the stockpile in Thailand before resuming the talks, it probably means that Thai political policy is serving the foreign country's policy. [passage omitted] This could be what was happening when Thai Foreign Minister Sitthi Sawetsila said in an interview with the Voice of Free Asia in Thailand that the Thai side had to wait for a suitable time before scheduling talks with Laos. This is because it has always been that way, and it is not just the serious dispute in the northern part of Laos. The Thai side relies on the foreign views acting from behind it every time when it comes to arranging a schedule and setting up an agenda for discussion with Laos. We can say that the Thai side is incapable, by which we refer to the ability to come to an agreement among ourselves without having to rely on foreign influence. Is it

not appropriate to have the Lao and Thai mass media ask the question, "why do we need more time?"

**Guerrillas, Security Situation in Vientiane**  
*42060015b Vientiane KONGTAP PASASON LAO in*  
*Lao 8 Sep 88 p 2*

[Excerpts] [Passage omitted] Since it was first organized the Vientiane provincial guerrilla unit has carried out its role carefully and successfully. They encountered many difficulties throughout the period of defending and constructing socialism. [passage omitted] The enemies have used clever schemes whose purpose was to dismantle the military forces, and they have ambushed guerrilla units in different districts in Vientiane Province. The heaviest attack occurred in Saisomboun District. It was a confusing time, and the people did not yet understand the policies of the party and the government. However, by maintaining their fighting heritage our guerrilla units together with the regional and regular forces have moved to eliminate terrorists regularly day by day. They have also prepared for combat and for production, and for carrying out mobilization at the same time to help the people to have confidence in the leadership of the party and in their own strength. We can say that the people throughout Vientiane Province have fortified themselves in different types of work, as well as in national defense and security. They have fought against the destructive aspect of the enemies, and have been able to maintain peace and security. In particular, the LPR youth and the Lao women's organizations have helped the families of the guerrillas on duty with their house work, making it easier for them to complete their tasks. [passage omitted]

### Sampling of Comments on Leaders' Refusal To Join UMNO

42130024A Kuala Lumpur BERITA HARIAN in Malay  
17 Oct 88 p 2

[Text] Kuala Lumpur, Sunday [16 October]—The public, including the politicians, today criticized Tengku Razaleigh Hamzah and Datuk Musa Hitam for being reluctant to join the new UMNO [United Malays National Organization] and accept the invitation of Prime Minister Datuk Seri Dr Mahathir Mohamad to meet to find a solution to the problem of Malay unity.

They felt the time had come for both of the former UMNO leaders to set aside their personal interests and think of ways to unify the Malays.

They hailed Datuk Seri Dr Mahathir's decision to open membership unconditionally to all former UMNO members in an effort to settle the Malay unity question which "is dragging on and becoming boring."

Tan Sri Haji Muryiddin Yassin, Johor chief minister, said Tengku Razaleigh and Datuk Musa should not set terms for joining the discussion or find excuses to avoid discussing the matter.

"If they are sincere, let us sit down together to find a formula for peace as well as for unifying the Malays. We are ready to discuss this matter with any group, and if they want to see unity among the Malays, there is no reason why they should reject this offer," he explained.

Last night, Tengku Razaleigh was reported to be reluctant to participate in the discussion with the UMNO if the leaders were going to ask him to join the party.

In this connection, Haji Kadri Sabri, member of the state legislative assembly (as an independent), representing the Endau region, was ready to join the new UMNO if the Malay unity question were settled.

Datuk Haji Mohamad Arshad Abdullah, deputy chairman of the new UMNO Liaison Committee, asked Tengku Razaleigh to think about finding a solution and not let his feelings guide his actions.

"He should welcome Datuk Seri Dr Mahathir's invitation to meet with him and Datuk Musa and should not be in a hurry to reject the opportunity offered to confer," he said.

Haji Mohd. Nazri Haji Abdul Rahim, vice chairman of the Pasir Salak District new UMNO, said the Malays should live together in a united and straightforward way and should forget the past.

He welcomed the re-appointment of Datuk Ajib Ahmad, Datuk Kadir Sheikh Fadzir, and Haji Abdul Rahim Bakar to the Supreme Council.

Haji Junus Wahid, who heads the Perak new UMNO Information Bureau, said the time had come for Malays to end their differences which were destructive.

Engku Bijaya Sura Datuk Syed Omar Mohamad, speaker of the Terengganu State Legislative Assembly, also urged Tengku Razaleigh and Datuk Musa Hitam to desist from setting any terms under which they would attend the conference if they were sincere about meeting with Datuk Seri Dr Mahathir.

In Kuantan, Datuk Haji Abdul Aziz Abdul Rahman, deputy chief minister, noted that by opening UMNO membership to all Malays, the aims of the earlier UMNO leaders' struggle could be pursued again.

"This decision demonstrates that there is no desire to oppress those who would like to struggle in the UMNO," he said.

Datuk Haji Mohd. Zuki Haji Kamaluddin, chairman of the Batu District new UMNO, hoped that this attempt at settlement would reduce the current tension.

In Butterworth, Mr Mohamad Ibrahim, a 43-year-old taxi driver, said that the announcement symbolized the sincerity of Datuk Seri Dr Mahathir's struggle and Tengku Razaleigh must in all honesty respond to this call for peace.

Mr Bakar Said, a 27-year-old unemployed man from Bukit Tengah, said the differences among Malays today bore the young generation and should not be dragged on.

"The present leaders should be given the opportunity to settle the national problem. Even if we changed leaders now, the problem would not be solved in a blink of the eye," he said.

### Half of All Government Jobs To Be Reserved for Bumiputera

42000063 Kuala Lumpur NEW STRAITS TIMES in English 25 Nov 88 p 4

[Text] The State Government has taken steps to ensure that at least 50 per cent of all Government contracts are reserved for Bumiputera companies only, while at the same time they could also tender for the remaining contracts.

Deputy Chief Minister Datuk Mark Koning said this was one of the many steps taken to enable Bumiputera businessmen attain at least a 30 per cent share of the business sector by 1990.

He said land reclamation works and transportation contracts as well as all contracts under the works order valued at \$50,000 and below were 100 per cent reserved for Bumiputeras.



Datuk Koding also said that Bumiputeras were guaranteed contracts for the supply of goods from two to 10 per cent, depending on the value of the contract.

Replying to Zaki Haji Gusmiah (PBS-Jukau) he added that Bumiputeras often lacked the experience and expertise in managing their business and this posed a setback to their success in business.

Datuk Koding, who is also Minister for Industrial and Rural Development, added that from statistics available, Bumiputera participation in the business sector in Sabah had already reached the 30 percent target.

Assistant Minister for Communications and Works Encik Mathius Majihi, in reply to another question by the same member said, from 1986 to this month, Bumiputera Class A contractors were awarded more than \$137.7 million worth of contracts.

These contracts were funded from both Federal and State allocations. However, Encik Mathius could not say what percentage of the jobs given to these contractors were subcontracted to others.

Finance Minister Datuk Bernard Dompok told the House that the Government had no intention of initiating any particular scheme to assist small time business at the moment since the Sabah Credit Corporation was already set up for that purpose.

In his reply to Ewon Ebin (PBS-Kundasang) he said under Bank Negara's guidelines, all banks or financial institutions were obliged to give loans for small businesses.

#### New Gas Markets, Uses Sought

42130024B Kuala Lumpur BERITA HARIAN in Malay  
19 OCT 88 p 1

[Text] Kuala Lumpur, Tuesday [18 October]—Malaysia is conferring with Thailand to study the possibility of supplying natural gas for use in electricity generating stations built in the southern part of that country.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the agreement to sell Malaysian natural gas to Singapore, achieved recently, also was a new development in gas trade which is being pursued by Malaysia.

"This is the beginning of gas exportation via pipelines to the Asia-Pacific region," he said when officiating at the 13th International Gastech 88 conference and fair being held in the Putra World Trade Center (PWTC) here today.

He noted that the primary source of foreign exchange from gas came from exporting liquified natural gas (LNG), worth \$858 million [Malaysian dollars] in 1983 and rising to \$2.59 billion last year.

However, he said, the LNG price was dropping, and trade depended on only two main buyer nations, which is not enough.

"We would like to see the price of that commodity remain stable, and we will try to obtain new markets," he said.

Datuk Seri Dr Mahathir said natural gas was an important basic material for local petrochemical industry.

#### Opportunity Offered

With the completion of the Peninsula Gas Utilization (PGU) Project 11, many petrochemicals like *ethane*, *propane* and *butane* will be obtained.

In this connection, the prime minister said Petronas [national petroleum company] will produce MTBE (*methyl tertiary butyl ether*) and *polypropylene* from *propane* and *butane*.

Malaysia will also start a project producing *ethylene* and *polyethylene* on a large scale for local plastics industries and for export.

"As a natural gas producer, we shall try to obtain new technology to reduce the cost of development, exploration, distribution, and transportation.

"Research among producer and user nations could develop the required new technology," he said.

Datuk Seri Dr Mahathir said the government was also forming a strategy to create awareness of the gas potential in addition to having the infrastructure to increase the use of gas.

"We will cooperate with any industry to introduce the use of gas in various production processes and techniques. This will give the private sector an opportunity to participate in expanding the use of gas into new commercial fields, including manufacturing," he said.

**NPA Founder Organizes Tarlac Coop With  
Aquino Help**  
42000062 Manila THE MANILA CHRONICLE in  
English 24 Nov 88 pp 1,7

[Article by Paulynn Sicam]

[Text] Barangay Sta. Rita, Capas, Tarlac - What form of struggle is most appropriate for the post-Edsa era? That is the burning question, the object of heated debate among the members of the Philippine Left.

The issue has left them divided between those who believe in continuing the armed struggle they began against the regime of Ferdinand Marcos, and those who say that with the advent of the Aquino Government, some adjustments are in order.

The protracted arguments have exhausted the movement and confused some of its members to the point of ineffectiveness. There are some, however, who have bravely made their stand on the issue and are now resolutely working toward their own adjusted visions of a free and democratic present.

One such Leftist is Bernabe Buscayno, better known as Kumander Dante, who in 1969, founded the New People's Army, the armed component of the Communist Party of the Philippines.

Dante, of Ka Dan, as his comrades past and present call him, is back home in Barangay Sta. Rita in Capas, Tarlac peacefully organizing his friends and neighbors into a cooperative.

"This is still a part of my work in the past, of helping the peasants and farmers," says Ka Dan who, 20 years ago, led these very peasants in armed revolt against feudalism. "It is part of the same struggle," he says, "but it is not armed."

He has, since 1976, spent over ten years in military prison, ran for the Senate, survived an ambush and astounded his former comrades with his outspokenness against the movement's present strategies and tactics. The last time we saw Ka Dan, he was complaining about how a movie producer mangled his life story in what was supposed to be his film biography.

But all this is behind him now, and today, Ka Dan's energies are focused on the cooperative he has helped form, the People's Integrated Livelihood Foundation, Inc., its 714 farmer-members in six adjoining barangay of Capas town, and their aggregate land area of 1,814 hectares.

The idea of a cooperative was reached by the people themselves, he said. His role was merely of a catalyst and synthesizer of the many ideas they had but couldn't put together.

Such a positively developmental effort is not exactly the communist movement's idea of helping the people. But Buscayno says, *Hindi na rin maiwasan na gawinitong activity na ito* ["One cannot avoid this kind of activity"]. If there is one thing he had learned in his long years with the movement Dante says, it is that "if you have the answers to the people's problems, they will join you. But if you're off the mark, you cannot mobilize them."

"I could go up to the hills and fight, but they will not follow," he says laughing.

Finding Manila too dangerous for former rebels, even for an avowed pacifist like himself, Ka Dan found comfort and protection in his old haunts in Tarlac. It was here where the communist movement imposed a de facto land reform program in the late Sixties when armed peasants led by the NPA drove away the landowners and overseers and managed the land themselves. This was later "legitimized" by the Government, he says, which "merely followed the land reform of the peasants" with Presidential Decree 27 in 1972 and the Comprehensive Agrarian Reform Program in 1987.

But, as he mixed with the farmers, he realized that the gains of that struggle had been eroded. Some farmers had lost their land to the usurers on whom they had to depend for credit. They had left the farms to be fishermen or tricycle drivers, or they emigrated to Manila where they found work as casuals and live in squatter communities. The average debt of those who managed to hang on to their land was P12,000.

The problem, he found, was that after the farmers got their land, they were left to fend for themselves. They were not exposed to new farm technologies. And without the former big landowners to subsidize their farm inputs and buy their produce, they were at the mercy of usurers and traders who lent them money at high interest rates and bought their produce at rates below market price.

The movement, he found, was of no help. Instead of advancing from the political struggle for the land to the economic struggle of survival, they continued to push for agrarian reform, a call that had become obsolete to Capas farmers.

And so, last August, a trifle late, but welcomed nevertheless, Ka Dan and friends established their cooperative, an integrated system that includes education on new farm technologies, funding for inputs, facilities for harvesting, drying, milling and storage, and a marketing arm. Since the post-harvest facilities have not been built, when the harvest starts coming in a few weeks, the coop will use a schoolroom in the government complex as a warehouse. And starting next cropping season, the coop will start producing its own certified seeds to cut on costs.

For funding, Ka Dan, aided by Sylvia Munoz-Ordenez of the Tarlac Development Foundation and the Technology and Livelihood Resource Center, tapped the Land Bank of the Philippines for a production loan. Bank President Deogracias Vistan was more than accommodating. Impressed with what he says is "a carefully planned effort at cooperative undertaking," the kind that he wants to see replicated in the rest of the country, Vistan released Buscayno's request for a P4.8 million funding for the current crop in a record two weeks. It usually takes three months.

Like all Land Bank loans to farmers and cooperatives, Dante's loan had no collateral, but the crop was insured. Nevertheless, Vistan, a former multinational banker, says the efforts exerted by the group to make it work are "better than real estate as collateral." He cited the Foundation's efforts at achieving economies of scale in land preparation and the purchase of farm inputs as steps in the right direction.

"If it was only possible, we would have wanted to just pool the resources of our members so we wouldn't be tied down to any institution, especially the government," Buscayno says. "But we didn't have any money. Our members couldn't even afford to pay the P500 required for membership in the coop."

He used the P200,000 he had raised from the premiere of the movie on his life, but that soon ran out. They decided to borrow money, he said, on condition that *hindi kami pakikialaman* ["no one would oversee"] how they handled their affairs. Buscayno said he approached his provincemate, President Aquino, who asked some department heads to help him. The fund is in an account at the Tarlac branch of Land Bank where Ka Dan, who is president of the foundation makes regular withdrawals for his members.

By April 1989, the cooperative must start paying for the loan. Ka Dan is confident they will meet the payments. "We are all of one mind here," he says.

"The goal," Buscayno says, "is to help the farmers keep their land, be self-reliant both economically and technically, and have a strong organization that will protect their interests." The cooperative, he adds, will be the farmers instrument for political and economic bargaining with government. "It is," he beams, "a form of empowerment."

The cooperative is targeted for self-reliance by 1993. By then, Buscayno predicts, they will need no more outside funding. By then, he hopes that the cooperative will also be running an agricultural and technical high school for the dropouts in the barangay. The landless members of the community should have a thriving root-crop plantation, as well as other livelihood projects in the higher unirrigated portions of the coop area.

Meanwhile, farmers from other places in Tarlac have been coming to him asking how his project can be replicated in the barangay. "I told them to give us three months to prove that it will work. Then we will go to their communities and help them organize."

Does all this mean that Buscayno now firmly believes in the present Government? Ka Dan smiles, "I believe in the correctness of our program. And because we are in need, we will tap whatever sources there are in and out of Government. I cannot deny that Government has been very helpful, but on the whole, as I see it, *marami pa ring mali ang gobyerno* [the government still makes many mistakes"].

**Foreign Aid, Corporate Acceptance of Land Reform Law**  
42000042 Manila WEEKLY AGRIBUSINESS  
in English 18-24 Nov 88 p 15

[Article under the rubric "ON THE BEAT" by Jake Espino]

[Text] It is quite ironic that while a small but noisy sector of the population is agitating against the implementation of the Comprehensive Agrarian Reform Program (CARP) which is considered as the key to the economic salvation of landless farmers, many foreign governments have offered to help the program.

The offer of assistance comes in the form of financial and technological packages to ensure the successful implementation of the program under a democratic setting.

If many countries have offered or actually extended their assistance to the country's priority program, it's due to the realization that the successful implementation of the CARP will, directly or indirectly, affect the relations between the Philippines and their respective governments.

Among the countries that have offered their assistance are Japan, France, the United Kingdom, Australia, Korea and China. Those which have already extended their support to the CARP include Italy and the Netherlands.

The Netherlands has the distinction of being the first European country to extend financial support to the program, a move that speaks well of the vast reservoir of goodwill of the Dutch government to the people of the Philippines.

As a concrete gesture of support to CARP, the Netherlands government entered into a memorandum of agreement with the Philippine government launching the "the Dutch CARP Assistance Program (DCAP) late last year.



This agreement was signed even before President Aquino signed Republic Act 6657, otherwise known as the Comprehensive Agrarian Reform Law.

The overall objective of the program is to assist in the development and implementation of effective and sustainable services for and by the farmers for the purpose of improving their production and strengthening their marketing position.

Apart from this, the program is to assist in the development of an effective and sustainable mechanism to provide farmers and farmer organizations greater access to credit facilities.

To attain the objectives of the DCAP, the Dutch government, through Ambassador Peter Koch, provided the initial funding funds early this year in the form of a fertilizer commodity grant amounting to \$10 million consisting of fertilizer which were sold to farmers through local traders. The proceeds became the source of funds for the program.

Only recently, Agrarian Reform Secretary Philip Juico and leaders of farmer associations and nongovernmental organizations signed agreements on the financing of five projects under the Dutch CAPR Assistance Program. Peter Van Leewen, Dutch press attache witnessed the signing of the agreements on the five small-scale livelihood projects.

These projects are the Central Negros Small Farmers Income Improvement project; the pilot project for Barangay Agrarian Reform Committee formation, cooperative development through the farmer-to-farmer exchange program, tilapia farming and corn seed production.

The biggest among these is the CNCFO which provides funding support to the target primary cooperatives for the procurement of the palay produce of their members.

This program will likewise finance the upgrading of the warehouse and trucking facilities of cooperatives to

enable them to cope with the increased volume of business which would result in the improved income of small farmers.

Aside from the Netherlands, Italy has also extended some grants amounting to \$5 million, and additional assistance is expected as the agrarian reform program progresses.

Secretary Juico, who has been conducting dialogue with the people in the rural areas in different provinces almost every weekend, expressed optimism that other countries will continue to demonstrate their support to the CARP to ensure its success.

#### **Dolefil farmworkers to receive land titles**

Vice-president and general manager Senen Bacani of Dole Philippines, Inc. (Dolefil), one of the biggest multinational firms engaged in banana and pineapple production in the Philippines, admits that a change in the attitude of Dolefil farmerworkers is now permeating their consciousness due to the implementation of the agrarian reform program in the Dole plantation.

Their feeling that portions of the lands leased to the Dole corporation would ultimately be owned by them is giving the workers a sense of pride and dignity, says Bacani.

This feeling of dignity would definitely goad them to exert their utmost to increase their production, knowing only too well that the rise in production would mean more benefits to them.

The increase in overall production would also mean more profits for the corporation.

As such both the Dolefil officials and the farmworkers are eagerly awaiting the expected arrival of President Aquino who has been requested to give the certificates of land ownership to the farmer-workers on December 9.

When that happens, Dolefil will be among the first multinational corporations operating in the Philippines to comply with the agrarian reform law.

**Commerce Ministry Official Views Trade Bill Impact**

42070034c Bangkok SIAM RAT in Thai 24 Oct 88 p 6

[Article by Sophin Loetratthakan, Market Research Section, Trade Data Division, Department of Commercial Relations: "The U.S. Trade Law, Its Impact and Thailand's Attitude"]

[Excerpts] 1. The trade law to reduce the deficit and increase efficiency: [passage omitted]

2. The substance of the new trade law: [passage omitted]

3. The impact on Thailand:

The United States is trying to assert that its new trade law is not aimed at protecting U.S. trade but rather at making international trade fairer and freer. Even though this law will enable the United States to retaliate more easily against competitors who engage in trading practices which the United States regards as unfair, the focus is on retaliating against those industrialized and newly industrialized countries that enjoy a huge trade surplus with the United States, such as Japan, the European Community, South Korea, Taiwan, and Hong Kong.

Thailand has enjoyed a trade surplus with the United States for only 3 years. We rank 21st in terms of our trade surplus, and, therefore, we do not face retaliation. However, Thailand must be prepared to deal with any problems that might arise, including dealing with various situations in an efficient manner.

The impact that this could have on Thailand can be summarized as follows:

3.1. The United States can retaliate swiftly and on a broad scale. The power to retaliate in cases involving trade practices has been transferred from the president to the trade representative in order to separate trade from military and diplomatic relations. This will enable the United States to retaliate easily and swiftly. Besides this, the unreasonable trade practice factors will enable the United States to retaliate against countries that the United States feels are engaging in unfair trade practices on a broad scale.

3.2. It will be easier for them to collect countervailing duties and seize markets. Thailand has tried to counter the charge that we are providing support by saying that the benefits received by the producers are just general benefits. This new law prohibits such a claim. It states that the general benefits received by producers are government support and that countervailing duties can be collected. Besides this, countervailing support duties can be collected and markets can be flooded more easily and on a broader scale by citing unreasonable trade practices.

3.3. Pressure will continue to be applied concerning intellectual property. The United States has been pressuring Thailand to revise its copyright, patent, and trademark acts ever since the time of the Prem administration. But the Copyright Act was not revised, because parliament was dissolved. Pressure has been exerted to have it submitted to parliament again. They announced that the GSP rights would run from April to December in order to see the results of the deliberations on the intellectual property issue and see what Thailand does about opening markets for certain types of goods. The new U.S. law stipulates that the trade representative is to make a list of those countries that do not adequately protect intellectual property. The United States will retaliate by restricting the import of goods without having to prove that American producers are being adversely affected economically.

Thailand is being pressured to provide protection for drug patents, copyrights on computer software and literary works, patents on crop varieties and animal breeds, and trademarks.

3.4. Agricultural products face problems concerning both support and markets. The Farm Act is supporting American agricultural products by extending time periods and increasing project funds to promote agricultural exports. More money is being provided for export support programs. This includes new programs such as the loan project to stimulate markets for wheat, cereals, livestock, and soybeans. This will enable U.S. agricultural products to compete on world markets, where they will sell for lower prices. This will have an impact on Thai agricultural products, particularly rice, corn, and soybeans.

Besides this, the United States will probably demand that Thailand end the quota on soybean imports and allow the import of soybean seed and soybean oil, claiming that this is an unreasonable trade practice.

3.5. The textile trade is regarded as unfair. The United States has constantly kept an eye on textiles. It once claimed that Thailand was not conducting trade fairly and that we were supporting exports. It said that wages here were lower than they should be and that we were using child labor. The new U.S. law will enable the United States to retaliate more easily and quickly.

3.6. Pressure to reach an agreement voluntarily limiting the export of steel pipe: Today, among the countries that have not yet reached an agreement to voluntarily limit the export of steel pipe to the United States, Thailand is the second largest exporter. The United States has set countervailing tariffs in response to this and is pressuring Thailand to reach an agreement as quickly as possible. Because under the new law, steel pipe from Thailand is considered to be from a country that has an agreement with the United States just like Japan and South Korea.

Because the steel is smelted and cast in these countries, import is restricted to the quotas for these countries without consideration as to added value.

4. Thailand's attitude:

4.1. Improve relations with the U.S. Congress: A network must be built, and the private sector must provide help in order to improve trade relations between Thailand and the United States.

4.2. Support negotiations through GATT: The developing countries are exerting pressure to strengthen GATT so that it can stipulate world trade policies and serve as a neutral organization in international trade negotiations in order to reduce protectionism, which the super powers use to exert pressure during bilateral negotiations. GATT should consider fair measures to retaliate against support and flooding the markets, such as collecting countervailing tariffs when it can be proven that a country is providing support or flooding the market. Countries should not impose these tariffs and then return the money later. If a country modifies goods so that they have added value, the goods should be considered to have been produced in that country.

4.3. The problem of intellectual property should be solved using the apparatus of the administration, parliament, and GATT: It shouldn't be very difficult to revise the Trademark Act, because that will benefit domestic producers, too. The new administration is now considering the Copyright Act, which covers computer software. The government has formed a committee to study the copyright law. Mr Phong Sarasin, the deputy prime minister, is the chairman of this committee. As for revising the drug patent law, that will take longer, and it will depend on the negotiations with GATT. This is because Thailand's patent law is based on the standards of the developing countries that were set in GATT. If GATT agrees to revise the standards, Thailand will revise its standards accordingly.

4.4. Agricultural goods, aid so that they fetch a good price: Thailand must try and make the United States understand that the Thai government has always had a policy of supporting free trade. The measures aimed at helping agricultural goods are just temporary measures to help enable the farmers to sell and export their goods at higher prices. The aim is to improve the standard of living of the farmers, not to flood world markets with low-price goods. What we are doing is similar to what the United States is doing to help American farmers.

**Officials Remarks at ASEAN Trade Conference**  
42070037f Bangkok MATICHON in Thai  
18 Oct 88 pp 1, 24

[Excerpts] [Passage omitted] In his capacity as the vice president of the Council of ASEAN Businessmen, Mr Anan Panyachun, the vice president of the Thai Chamber

of Commerce, spoke about Thailand, the Philippines, and Malaysia producing automobile parts on a cooperative bases. He said that we should go ahead with this as soon as possible. There is no need to wait on other countries. Whenever another country is ready, it can be allowed to join.

On 16 October, Mr Anan went and talked with Mr Subin Pinkhayan, the minister of commerce, for more than 2 hours. A news source said that Mr Anan said that the reason why ASEAN's economy has not progressed as much as it should have is that things have been tied too closely to politics. In the past, the talks have focused on political matters, and the Ministry of Foreign Affairs has been allowed to lead the way. It's time that the ministers of the economic ministries took the lead in negotiating such matters.

A news report reported that Mr Anan stated that because we have allowed foreign affairs to take the lead, ASEAN has not been very interested in trading with East Europe because of political reasons. As a result, we have lacked bargaining power when pressured by the United States and the European Community. If we can increase our bargaining power, the superpowers will come to see ASEAN's power.

The report stated that Mr Anan said that the governments of all the ASEAN countries have violated the agreement reached at the Manila summit. It was agreed to have the private sector submit projects to build plants to produce goods with imports exceeding \$5 million. But many countries have curtailed the projects suggested by the private sector. At the recent conference, only four projects were considered.

Besides this, Mr Anan said that when the ASEAN ministers hold trade talks, they can't do anything to benefit the ASEAN countries because of the lack of data. There is no information center. ASEAN should establish an information center and a research center, and ASEAN should have an official negotiating team.

Mr Subin Pinkhayan, the minister of commerce, said that the reason why ASEAN has not achieved much as far as economic cooperation is concerned is that it has been felt that agreements should be approved by all the countries. But at the recent conference, it was agreed that if a country is not prepared to become involved in a project, those countries that are prepared can sign contracts. One such project is the project to exchange automobile and motorcycle parts. Even though Indonesia is not ready, we can work together on this.

Mr Subin spoke about the results of the conference of ASEAN economic ministers. He said that Thailand, the Philippines, and Malaysia succeeded in persuading Brunei, Singapore, and Indonesia to join in producing automobile parts (brand-to-brand).

Mr Subin said that lobbying on this issue was quite difficult. On the morning of 17 October, when Maj Gen Chatchai Chunhawan, the prime minister, arrived, he



told him that only five countries might participate in this project, because Indonesia disagreed. But he lobbied them, saying that this would strengthen ASEAN. Finally, Indonesia agreed. [passage omitted]

A news source said that the reason why Indonesia changed its mind is that it wanted to maintain its image. It had been accused of preventing ASEAN from making progress. However, Indonesia, Singapore, and Brunei will not become involved in actually producing parts. They will allow the other three countries to go ahead with this. There is the Mitsubishi automobile project. The three countries will begin producing parts. This cooperative project was the greatest achievement of this conference. [passage omitted]

#### **Chatchai Concerned Over SAP Role in Foreign Trade Policy**

42070036f Bangkok NAE0 NA in Thai  
14 Oct 88 pp 7, 14

[Excerpt] [Passage omitted] A news source in the Government House said that Maj Gen Chatchai Chunhawan, the prime minister, is revamping the structure of the central organization that will be established to handle international trade matters.

It was the advisors to Maj Gen Chatchai who suggested establishing this central organization. They originally proposed establishing a Thailand Trade Representative Office (TTR), whose powers and duties would be similar to those of the U.S. Special Trade Representative (USTR). Maj Gen Chatchai asked Mr Phong Sarasin, the deputy prime minister, to consider the details in cooperation with the ministries concerned.

Mr Phong opposed establishing the TTR, saying that this was not suitable for Thailand. He said that the United States is the only country in the world with a trade representative office.

Instead, Mr Phong favored establishing an International Economic Relations Policy Committee composed of representatives from the ministries concerned. But based on the structure proposed by Mr Phong, the major role would be played by members of the Social Action Party (SAP), with Mr Phong, a member of the SAP, serving as chairman. The five ministerial-level members would include the minister of foreign affairs, an SAP member, the minister of commerce, an SAP member, the minister of finance, a member of the Thai Nation Party (TNP), the minister of industry, a TNP member, and the minister of agriculture, a member of the Democrat Party.

The two under secretaries on the committee would include the under secretary of foreign affairs and the under secretary of commerce. The director-general of the Economic Department, Ministry of Foreign Affairs, would serve as secretary for administrative affairs, and

the director-general of the Department of Business Economics, Ministry of Commerce, would serve as the secretary for technical affairs.

The advisors to Maj Gen Chatchai vehemently opposed Mr Phong's proposal. They claimed that this gave too much power and responsibility to this committee. Other government parties opposed this, too, feeling that the SAP was trying to control the country's export policy.

In the past, the SAP tried to exert pressure to expand the role of the Rice Policy and Measures Committee and put in in charge of other agricultural goods as well. It also tried to have Mr Phong made chairman of this committee.

Maj Gen Chatchai resolved this issue by signing an order appointing Mr Phong chairman of the Rice Policy and Measures Committee but restricting the powers and responsibilities of this committee to rice only.

As for the Economic Relations Policy Committee, Maj Gen Chatchai has tabled the matter for the time being and is considering revising the structure of the committee in order to reduce the role of the SAP and give a greater role to other government parties.

#### **Finance Minister Details Loan Projects**

42070036c Bangkok NAE0 NA in Thai 24 Oct 88 p 8

[Text] Mr Pramuan Saphawasu, the minister of finance, disclosed that at a meeting of the Committee To Consider Taking Foreign Loans on 21 October, those at the meeting discussed various fiscal 1989 loan projects. The loan ceiling remains at \$1 billion.

The foreign loan projects that were discussed totaled \$1,875 million. These included nine projects totaling \$701 million of the Electricity Generating Authority of Thailand (EGAT), one project totaling \$271 million of the Telephone Organization of Thailand, two projects totaling \$55.47 million of the Metropolitan Water Works Authority, four projects totaling \$388.05 million of the Highways Department, one project totaling \$10.67 million of the Provincial Water Works Authority, one project totaling \$70 million of Thai Airways International for the purchase of an eighth airbus 70, and one project totaling \$21.29 million of the Metropolitan Electricity Generating Authority.

Of the fiscal 1989 projects that have been approved, the foreign loans will total \$999.44 million. There are 16 main projects. Of these six projects totaling \$416.42 million are projects of EGAT, three projects totaling \$258.78 million are projects of the Highways Department, one project totaling \$161.35 million is a project of the Telephone Organization of Thailand, one project totaling \$66 million is a project of Thai Airways International, two projects totaling \$55.47 million are

projects of the Metropolitan Water Works Authority, one project totaling \$17.10 million is a project of the State Railways of Thailand, one project totaling \$13.33 million is a project of the Provincial Electricity Generating Authority, and one project totaling \$10.99 million is a project of the Irrigation Department.

There are 23 reserve projects totaling \$1,019.24 million baht. Of these, 13 projects totaling \$380.59 million are projects of EGAT, 4 projects totaling \$0.62 million are projects of the Provincial Water Works Authority, 4 projects totaling \$211.01 million are projects of the Provincial Electricity Authority, 2 projects totaling \$165.32 million are projects of the Telephone Organization of Thailand, 1 project totaling \$5.66 million is a project of Harbor Department, 1 project totaling \$44 million is a project of Bangkok Metropolitan, 1 project totaling \$34.29 million is a project of the Highways Department, 1 project totaling \$25.25 million is a project of the Bank for Agriculture and Agricultural Cooperatives, and 1 project totaling \$42.62 million is a project of the State Railways of Thailand.

The money for some of these projects has been borrowed from Japan's Overseas Economic Cooperation Fund (OECF), 14th yen loan. This agreement was signed at the end of last month. Money for other projects has been borrowed from the World Bank, the Asia Development Bank, the German Institute for National Development (KFW), and foreign money markets.

Besides the fiscal 1989 foreign loan projects, Mr Pramuan has also formulated projects for the next two fiscal years. In fiscal 1990 there will be public-sector and state enterprise projects. Twenty-three projects totaling \$1,972.6 million have already been submitted. Of these, 8 projects totaling \$853.91 million are communications and transportation projects, 16 projects totaling \$1,071.89 million are energy projects, 1 project totaling \$2.85 million is a public utilities and public services project, and 2 projects totaling \$44.03 million are agriculture and irrigation projects.

The 24 projects for fiscal 1991 total \$1,245.50 million. Of these, three projects totaling \$325.88 million are communications and transportation projects, nine projects totaling \$773.53 million are energy projects, two projects totaling \$116.09 million are public utilities and public services projects, and one project totaling \$30 million is an agriculture and irrigation project.

Mr Pramuan said that before we raise the foreign debt ceiling, we must consider whether this is necessary and appropriate. The Bank of Thailand, the Office of the National Economic and Social Development Board, and the Fiscal Policy Office are responsible for considering this. "Actually, we can borrow up to \$1.2 billion in fiscal 1989. But the present ceiling of \$1 billion should be sufficient. If it should become necessary to borrow more this year, we can increase this."

**Administration Policy on Copyright, Trade Issues**  
42070039 Bangkok SIAM RAT SAPDA WICHAN  
in Thai 23-29 Oct 88 pp 23-26

[Excerpts] [Passage omitted] The Line of the Prime Minister's Advisors

Maj Gen Chatchai Chunhawan, the prime minister, asked his team of advisors to discuss the establishment of an organization to solve today's international trade problems. Recently, protectionism has increased greatly, particularly from the United States, which is trying to find a way to retaliate against the newly industrialized countries and developing countries such as Thailand, whose economies are flourishing. One issue is the intellectual property issue. The advisors to the prime minister proposed establishing a Trade Representative Office, an International Trade Policy Committee, and a Policy Committee on Intellectual Property. These organizations would be responsible for coordinating things with respect to both policy and implementation.

The objective of the Trade Representative Office, or TTR, is to foster unity in formulating policy. Because today, policy planning is dispersed among various units, with the result that there is a lack of unity. As proposed, the TTR will be composed of experts from the various units concerned, including the Ministry of Commerce and the Ministry of Foreign Affairs. They will be responsible for carrying on trade negotiations with other countries. There will be five administrators. Besides the deputy prime minister, who will serve as chairman, there will be senior government officials from these two ministries. Both the name and organization of this committee are similar to the U.S. Special Trade Representative, or USTR. Some people have said that this is a direct "copy."

"That's incorrect. This is just an idea. It's a matter of adjusting the apparatus and structure to match the structure and realities of Thailand. We had been discussing this with government officials for more than 2 years. We didn't just come up with this idea all of a sudden," said Dr Surakiet Sathianthai, an advisor to the prime minister and a recognized authority on international trade law, about the origin of the TTR. This will be a full-time organization. People will be transferred from other units to analyze the various data concerned.

This unit will be directly subordinate to the prime minister. The cabinet must give its approval before this unit can stipulate policy or conduct negotiations. The purpose of this is to create mutual responsibility. At the same time, there will be an International Trade Policy Committee to manage things. It will set policy for the TTR to implement. These two organizations will "solve the problems of coordinating things and creating specialists," said the report submitted by the advisors to Prime Minister Chatchai.

The Intellectual Property Policy Committee is considered to be an "offensive" rather than "defensive" mechanism, because this is an expression of sincerity regarding protecting intellectual property "by considering Thailand's interests, too." The advisory team also said that establishing these committees will reduce inter-party politics and help educate those concerned. All factions will have a chance to submit data for consideration before a national policy is formulated.

Dr Buansak Uwanno, an advisor to the prime minister and a professor of law at Chulalongkorn University, said that in the past, Thailand has always acted in accord with the requests of other countries, particularly the United States, without knowing how much protection we should afford to intellectual property based on our level of technological development. This will have future consequences for the country. We could become a "technological colony," or we could have "technological independence." This committee will have the power to propose changes in the law, conduct studies, and make comparisons with other countries concerning international standards and the mode of operations of Thailand's main trade competitors.

"Developing our domestic technology is very important. Take the Thai automobile industry, for example. There has been protection for more than 20 years. Why can't it do things on its own? People have observed that if large companies such as Toyota or Peugeot pulled out of the country, what could we do? There has not been any technology transfer. Because the licensing agreements are very specific and stipulate even the number to be produced. These are trade secrets. If they withdraw, what are you going to do?"

#### The Line of the Economic Department

Mr Phong Sarasin, the deputy prime minister, was appointed chairman of the Committee To Consider International Trade Problems. He does not agree with the proposals made by the advisors to the prime minister, and it is well known that the source of this disagreement is the Ministry of Foreign Affairs, which is working through the deputy prime minister, who belongs to the same party as the minister of foreign affairs. Not all foreign ministry officials disagree with the proposals made by the advisors to the prime minister. Only "certain people" in the Economic Department are opposed to these proposals. They are viewing this from the standpoint of the role of the Ministry of Foreign Affairs.

In a memorandum that Mr Phong submitted to the prime minister on this, he gave five reasons for opposing the establishment of these three committees:

- The formation of these three committees focuses only on international trade instead of international economics as a whole, all of which is inter-related.
- This is more "defensive" in nature, because the focus is on resolving the trade disputes. This does not include implementing offensive policies or overall trade policies.

- Establishing a Trade Representative Office will increase the number of steps. This will overlap existing units whose function is to carry on economic and trade activities and negotiate with other countries.
- Establishing units that will overlap existing units will be an unnecessary waste of both money and personnel.
- Establishing a national-level Committee on Intellectual Property Protection Policy that is chaired by the prime minister or deputy prime minister is not in line with the present situation. Thailand is now in a "defensive" position on the intellectual property issue. The government will encounter direct pressure from other countries.

In the view of the Ministry of Foreign Affairs, the main problem in implementing an international trade policy is not that we lack a negotiating unit. Rather, we lack a central unit that has the power to formulate and coordinate policies, attitudes, lines, and measures in conducting negotiations and forging short- and long-term international economic relations. Thus, through Deputy Prime Minister Phong, it has suggested establishing an International Economic Relations Policy Committee to formulate international economic and trade policies at the bilateral, multilateral, and regional levels. It will also be responsible for stipulating measures, and it will serve as a center for coordinating things between the public and private units concerned.

As for the proposed structure of this committee, it will be composed of six policy and work subcommittees, five of which will be restructured from existing committees. These include the Thai-U.S. Economic and Trade Relations Subcommittee, the Subcommittee To Restructure Economic Relations Between Thailand and Japan, the Thai-European Community Economic and Trade Relations Subcommittee, the UN Conference on Trade and Development, or UNCTAD, and GATT Subcommittee, (and the ASEAN Economic Policy Coordinating Subcommittee). The other subcommittee is a new unit, the Subcommittee on Economic and Trade Relations Between Thailand and Other Countries. This proposal made similar suggestions concerning the proposed negotiating team, or TTR. That is, it said that this team should be formed from the six subcommittees mentioned above. It should include people from both the public and private sectors, including experts in various fields.

#### Differences and Conflicts

The advisors to the prime minister voiced opposition to the proposal made by the Ministry of Foreign Affairs through Mr Phong Sarasin. They pointed out that the International Economic Relations Policy Committee would be like an "international economic cabinet," because it would have the power to take action in place of the cabinet. It would only have to keep the cabinet informed. Moreover, it would have greater power than the economic cabinet, which does not have the power to implement things. All it does is make decisions and formulate policy. The International Economic Relations Policy Committee, on the other hand, would have the power to establish subcommittees and appoint trade



representatives without having to go through the prime minister or the cabinet.

Besides this, the Ministry of Foreign Affairs will become involved in economic and trade matters, which are supposed to be the responsibility of the Ministry of Commerce. The Ministry of Commerce is the expert in this field, because it has the data and has been engaged in this. The proposal calls for having the minister of foreign affairs serve as the first vice chairman of this committee, with the minister of commerce serving as the second vice chairman. The director-general of the Economic Department, Ministry of Foreign Affairs, will serve as secretary for administrative affairs. The director-general of the Department of Business Economics, Ministry of Commerce, will be the secretary for technical affairs. His only duty will be to provide technical data.

"Based on the structure of the International Economic Relations Policy Committee, it can be seen that the original four subcommittees all belonged to the Ministry of Foreign Affairs. Only the GATT-UNCTAD Subcommittee was subordinate to the Ministry of Commerce. This shows its greater role," said another news source to SAPDA WICHAN. He said that foreign affairs officials know more about diplomatic affairs than economic and trade matters. Moreover, they are frequently transferred abroad. This could lead to a lack of continuity in the work and make it difficult for these people to become experts in this field.

The advisors to the prime minister have pointed out that the International Economic Relations Policy Committee will not be able to solve the problems in formulating an international trade policy, because the work is too broad. The nature of this work is similar to that of a new ministry. A committee that meets only occasionally will not be able to do the work efficiently. There will be delays, and the committee will not be able to keep up with the ever-changing situation. As for dividing the subcommittees by country, "that is at odds with the need for unity in formulating policy and conducting negotiations." They also stood by their original idea of forming three organizations.

#### **The Struggle Between Two Parties**

The present minister of foreign affairs has held this position for many years, and he is the leader of the second largest political party. Also, Deputy Prime Minister Phong and the minister of an important economic ministry that is involved in international trade, that is, the Ministry of Commerce, are both members of the Social Action Party. Thus, people can't help but think that the structure of this national-level Policy Committee will enhance the role of this party more than that of other parties, which won't have a chance to participate. Furthermore, the prime minister happens to belong to another political party.

Thus, the conflict in views between the two groups of "scholars" could easily turn into a conflict between two

government parties, that is, the Thai Nation Party and the Social Action Party. After voicing disagreement with the idea of the Ministry of Foreign Affairs, the advisors to the prime minister suggested changing the structure of the Policy Committee if the leaders of the government want to compromise. This can be done by appointing the deputy prime ministers from the various parties vice chairmen just as was done in the case of the economic cabinet. The role of other units can be increased so that they are on a par with or even superior to this unit in fields in which they have greater expertise than the Ministry of Foreign Affairs. For example, the director-general of the Department of Business Economics can be appointed secretary of the International Economic Relations Policy Committee, with the deputy director-general of the Economic Department serving as assistant secretary.

"By law, economic and trade matters are the jurisdiction of the Ministry of Commerce, which has more data and greater expertise. Also, it has a regular staff to handle economic and trade tasks. Foreign ministry officials are experts in the field of diplomacy and frequently have to rotate abroad. There could be a lack of continuity," said this proposal. This proposal also suggested having the minister of science, technology, and energy serve on the committee in view of the fact that this ministry is concerned with the transfer of technology.

However, the minister of commerce, Mr Subin Pinkhayan, who is a member of the Social Action Party, said that it would be difficult to organize the TTR in accord with the proposal made by the advisors to the prime minister. We would have to find administrators who have the ability to carry on international trade negotiations. At present, such people already have their own work to do. He denied that the Social Action Party wants to control international trade matters, saying that the structure of this committee focuses on the ministers from the ministries concerned without regard to which political party they belong.

Officials in the Ministry of Foreign Affairs have tried to point out that the idea for this committee arose during discussions among senior officials from the ministries of commerce and foreign affairs. They wanted to attract policy-level administrators from units concerned with production, exports, and international negotiations. Besides these two ministries, the Ministry of Agriculture, the Ministry of Education, and the Ministry of Public Health will also coordinate things with this committee, because they are involved in the intellectual property and copyright problems. Thus, it's not a matter of a particular ministry trying to increase its power. [passage omitted]

#### **Comparison Between Two Forms of the International Economic Relations Policy Committee and the Economic Cabinet**

##### **The Economic Cabinet:**

Members: the prime minister, chairman; the deputy prime minister (Mr Phong Sarasin) member; the deputy

prime minister (Mr Phichai Rattakun), member; the deputy prime minister (Gen Thianchai Sirisamphan), member; the minister of finance, member; the minister of foreign affairs, member; the minister of agriculture and cooperatives, member; the minister of communications, member; the minister of commerce, member; the minister of interior, member; the minister of science, technology, and energy, member; the minister of industry, member; the minister attached to the Office of the Prime Minister (Mr Michai Ruchuphan), member; the minister attached to the Office of the Prime Minister (Mr Kon Thappharangsai), member; the minister attached to the Office of the Prime Minister (Mr Anuwat Wattanaphongsiri), member; the minister of finance (Mr Niphon Nompnan), member; the secretary general of the Office of the National Economic and Social Development Board (NESDB), secretary; the deputy secretary general of the NESDB (Mr Khosit Panpiamrat), assistant secretary; and the deputy secretary general of the NESDB (Mr Anuphap Sun-anan), the assistant secretary.

**Powers:** 1. To consider various matters concerning economic policies and measures. 2. To coordinate the economic policies and measures of the ministries, bureaus, and departments concerned. 3. To evaluate the results of the actions taken based on the policies and measures stipulated and report the results to the cabinet.

**International Economic Relations Policy Committee** (as proposed by the Ministry of Finance through Deputy Prime Minister Phong):

**Members:** The prime minister or deputy prime minister appointed by the prime minister, chairman; the minister or appointed deputy minister of foreign affairs, first vice chairman; the minister of commerce or appointed deputy minister, second vice chairman; the minister of finance, member; the minister of agriculture and cooperatives, member; the minister of education, member; the minister of public health, member; the minister of industry, member; the under secretary of foreign affairs, member; the director-general of the Economic Department, secretary for administrative affairs; and the director-general of the Department of Business Economics, secretary for technical affairs. The committee will stipulate the powers and duties of the two secretaries. At committee meetings, the director-general of the Economic Department will serve as the secretary.

**Powers:** 1. To stipulate international economic relations policies. 2. To stipulate policies on cooperating with other countries and international organizations on economic and trade matters. 3. To formulate stratagems, plans, lines and positions on economic and trade negotiations and negotiations to change the structure of economic relations with other countries and to monitor things to ensure that the officials concerned do things in accord with the stratagems, plans, lines, and positions stipulated in an effective and efficient manner. 4. To serve as a center in coordinating things with other committees or committees formed by the cabinet whose duties concern international economic relations policies.

5. To coordinate things with the public and private sector units concerned in order to provide support and give recommendations and suggestions to the cabinet on the work. The committee must report the results of the work and be responsible to the cabinet or economic cabinet.

**Powers exceeding those of the economic cabinet:** 1. The International Economic Policy Relations Committee will have the power to form subcommittees to consider matters or carry out tasks assigned by the committee. 2. At economic and trade negotiations between Thailand and other countries or international organizations, the committee will have the authority to appoint a representative or delegation to participate in the negotiations.

**International Economic and Trade Policy Committee** (as proposed by the advisors to the prime minister):

**Members:** The prime minister, chairman; the deputy prime minister appointed by the prime minister, vice chairman; the minister of foreign affairs, member; the minister of commerce, member; the minister of finance, member; the minister of agriculture and cooperatives, member; the minister of education, member; the minister of public health, member; the minister of industry, member; the minister of science, technology, and energy, member; qualified people appointed by the prime minister, not to exceed.....people, members; the under secretary of foreign affairs, member; the under secretary of commerce, member; the director-general of the Department of Business Economics, secretary; and the deputy director-general of the Economic Department, assistant secretary.

**Powers:** 1. To stipulate international economic and trade policies. 2. To stipulate policies on cooperating with other countries and international organizations on economic and trade matters. 3. To formulate stratagems, plans, lines and positions on economic and trade negotiations and negotiations to change the structure of economic relations with other countries and to monitor things to ensure that the officials concerned do things in accord with the stratagems, plans, lines, and positions stipulated in an effective and efficient manner. 4. To serve as a center in coordinating things with other committees or committees formed by the cabinet whose duties concern international economic policies. 5. To coordinate things with the public and private sector units concerned in order to give recommendations and suggestions to the cabinet on the work.

**Powers exceeding those of the economic cabinet:** 1. The International Economic Relations Policy Committee will have the power to form subcommittees to consider matters or carry out tasks assigned by the committee. 2. In performing its duties, the committee has the power to ask representatives from government units and state enterprises and others concerned to provide advice and data on matters pertaining to the work of the committee as necessary.

**Structure of the Central Organization Based on the Proposal by the Economic Department,  
Ministry of Foreign Affairs**

Subcommittee on Economic and Trade Relations Between Thailand and Other Countries (Newly Organized Unit)	National GATT and UNCTAD Subcommittee	Thai-U.S. Economic and Trade Relations Subcommittee	Subcommittee to Restructure Economic Relations Between Thailand and Japan	Thai-European Community Economic and Trade Relations Subcommittee	ASEAN Economic Policy Coordinating Subcommittee
	Work Team on Trade and Support of Agricultural Goods	Work Team To Study U.S. Economic and Trade Protectionist Measures	Director-Level Work Team	Work Team to Study European Community Economic and Trade Protectionist Measures	
	Work Team on Marketing				
	Work Team on Protecting Intellectual Property				
	Work Team on Trade Investments				
	Work Team on Service Trade				
	Work Team on GATT System and Activities				

The International Economic Relations Policy Committee coordinates with the following committees and subcommittees:

- Export Development Committee
- Commodities Committee (rice, rubber, cassava, jute, etc)
- National FAO Committee
- Investment Promotion Committee
- Foreign Cooperation Committee
- Joint Economic subcommittee Between Thailand and Other Countries
- Joint Trade Subcommittee Between Thailand and Other Countries
- Joint Scientific and Technical Subcommittee Between Thailand and Other Countries.

**Suphatra's Husband Gets Army Intelligence Job**  
42070037e Bangkok LAK THAI in Thai 3 Nov 88 p 5

[Text] Pathomphong Kesonsuk is the name of a lieutenant colonel who became well known 4 years ago because of his close association with Gen Han Linanon, the army region commander who implemented the Tai Rom Yen program.

After managing to survive, he was transferred from one unit to another. Recently, he was transferred from his position as a staff officer to the army commander and appointed deputy chief of staff of the Army Intelligence Command, which is commanded by Maj Gen Thammarak Isarangkun Na Ayuthaya.

He has been promoted to colonel as is befitting the husband of Suphatra Matsadit, the minister attached to the Office of the Prime Minister. He has even managed to be promoted to this rank ahead of fellow classmates.

**New Army Ranger Unit Planned**  
42070037d Bangkok LAK THAI in Thai 3 Nov 88 p 8

[Text] The Special Warfare Command is planning to form a "ranger battalion." The mission of this unit will be in line with the name of this unit. This army unit is another unit that is well worth keeping an eye on. This battalion will probably be expanded to regiment size within the next 2 years. And if there is a need, this could be accomplished within 1 year, because the forces are ready. After paratroopers have completed the paratroop course, they must take the ranger course. They can then wear the tiger head with sword insignia. In the past, paratroop and ranger training was given together in one



course. Thus, there is no need to worry about the men who will be assigned to this unit. People have said that initially, there will be a separate "ranger" unit of the Special Warfare Command. It will be like that initially just like the "paratroopers," which started out as a paratroop battalion and which later expanded to become a special combat (paratroop) unit and then a special combat regiment. There is now the 1st and 2d special combat divisions and the Special Warfare Command. And there is still the Special Warfare Center, which is both a training and combat unit. After this "ranger battalion" expands and is turned into a regiment, in the future it could be expanded into a "ranger division."

#### **Editorial Voices Worries on Debt**

42070034b Bangkok SIAM RAT in Thai 22 Oct 88 p 8

[Editorial: "A Burden Carried By the People"]

[Excerpt] The spokesman for the Ministry of Finance issued a statement on last year's financial situation. As of 31 August 1988, public debt totaled 636,904.94 million baht. This included a total of 341,381.82 million baht in domestic loans, of which 316,312.38 million baht was in direct loans and 25,069.25 million baht was in loan guarantees, and 295,525.29 million baht in foreign loans, of which 165,913.26 million baht was guaranteed by the Ministry of Finance.

Every administration has played a role in building this 600 billion baht debt. This is because there has been a budget deficit every year. To cover the deficit, the government has had to borrow money. With such a huge debt, we now have to pay more than 40 billion baht a year to service the debt while repaying only about 20 billion baht in principal (for a total of approximately 80 billion baht [as published] a year in principal and interest).

At the same time, there have been reports that the 1989 fiscal budget calls for expenditures of 285.5 billion baht. It is expected that the amount of money borrowed will decline, that is, we will borrow only 23 billion baht.

No detailed figures have been released on how much will be spent on principal and interest. But based on last year's figures, the amounts should be about the same. That means that our debt will not decline at all. If we pay back 20 billion a year and borrow another 20 billion a year, that means that the total amount owed will stay about the same. The debt could even increase if revenues don't hit the target or there are special projects, such as purchasing weapons and building towers. [passage omitted]

#### **Central Bank: Utilities Problem Will Limit Economic Growth**

42070036d Bangkok NAEO NA in Thai  
21 Oct 88 pp 7, 14

[Excerpts] [Passage omitted] Mr Siri Kancharoendi, the director of the Department of Economic Research, Bank

of Thailand, said that next year, the economy will probably slow down somewhat. It is not expected to grow at the rate of 8.5 percent like this year. The agricultural sector is expected to grow 2.8 percent. But outside the agricultural sector, there are production limitations, because of trade protectionism. The rate of growth is expected to be approximately 8.6 percent as compared with this year's rate of growth of 9.5 percent. Most of the expansion will be in the mining, industrial, construction, electricity, banking, and housing sectors.

The overall rate of growth will decline somewhat because of the lack of public utilities and investment capital. Capital must be borrowed from abroad, but the government has set a ceiling of \$1 billion on foreign loans. This is not enough to expand the public utilities sector. Take the generation of electricity, for example. Even though an effort is being made to increase capacity, we can't keep up with demand.

The government must quickly develop the public utilities system by dispersing this from Bangkok Metropolitan within the next 10-20 years so that there are adequate services throughout the country. The commercial banks must loan money prudently in order to benefit the economic sector. Whenever there is a tight money situation, we must be able to mobilize money from abroad to help satisfy the needs of borrowers. As for export credits, or packing credits, with which the national bank has provided help, the commercial banks must maintain interest rates and not allow them to differ too much from rates abroad so that those who use the packing credits will use the services of the commercial banks. [passage omitted]

The building industry expanded at a rate of 13 percent, and this will continue next year. The cement companies can produce raw materials for construction. The problem is that the steel plants cannot produce enough to meet demand. This year, the chemical and plastics industry expanded at a rate of 12 percent. This will continue next year. Foreign investment will continue to increase. As a result, the demand for raw materials continues to increase. But the main obstacle to economic expansion is that the public utilities system is inadequate. Telecommunications are inadequate, and there is a shortage of certain types of goods. It's not that we lack buying power.

Public spending on consumer goods increased 8 percent this year as compared with 5-6 percent last year. The people knew that their situation had improved and so they chose to purchase expensive goods. Consumption of imported goods increased even though domestic goods could have met the demand. Much oil was consumed in the production and service sectors. International trade, both imports and exports, increased.

The financial support given by the national bank will focus on making greater use of our domestic agricultural and industrial resources. One worry is that large quantities of capital goods are being imported. For the entire

year, it is predicted that the rate of expansion will reach 63 percent. The rate for consumer goods will be 10 percent, and the rate for oil and petroleum products will be 44 percent. The figure for exports will be 35 percent. That means a trade deficit of approximately 70 billion baht and a current accounts deficit of 44 billion baht. But there will be a cash inflow of 32 billion baht. It should be possible to ease the tight money situation.

There is still a great demand for credit. As a result, there is less liquidity. The commercial banks must obtain 14-15 billion baht to help. The [national] bank will provide help, too, by using interest rates to make adjustments and attract money from other sources.

As for prices, there is a shortage of certain types of raw materials. This has pushed up the price of some goods about 30 percent. The higher price of agricultural goods has improved the standard of living. In general, the incomes of the people are good. Pressures concerning expenditures have increased.

These matters were discussed at a seminar on the 1989 Economic and Business Situation that was held by BMS on 20 October.

**6th NESDB Plan To Be Revised**  
*42070036a Bangkok NAO NA in Thai*  
*25 Oct 88 pp 1, 20*

[Excerpt] [Passage omitted] Mr Likhit Hongladarom, the deputy spokesman for the Office of the Prime Minister, issued a statement about revising the 6th National Economic and Social Development Plan. The economic cabinet has approved the method to be used to revise the plan and appointed a committee to do this. This can be summarized as follows:

1. To increase our ability to compete against other countries, the government will organize a model organization to take charge of this.
2. Mr Phong Sarasin, the deputy prime minister, will be in charge of improving the economic infrastructure.
3. Mr Phichai Rattakun, the deputy prime minister, will be responsible for considering natural resources, the environment, and human resources.
4. Gen Thianchai Sirisamphan, the deputy prime minister, will be responsible for considering the state enterprises.
5. The minister of finance will be responsible for considering financial and monetary matters.

The deputy spokesman for the Office of the Prime Minister said that Mr Phong will chair the Subcommittee To Consider Revising the 6th National Development Plan. Members of this subcommittee will include the ministers concerned, the under secretaries concerned,

and the director of the Bureau of the Budget. The secretary general of the Office of the National Economic and Social Development Board [NESDB] will serve as secretary.

Mr Likhit added that at the meeting of the economic cabinet, Mr Phong said that Thailand's network for shipping goods is very weak. As for administering the river ports, the deep-water ports of Songkhla and Phuket, and the ports along the southern coast, the money invested has not been put to good use. This includes Utaphao airport, too. The roads to Khlong Toei Port, the regional airports, and Don Muang airport are clogged. Gen Thianchai said that the transportation system between Chiang Mai and Hong Kong and Chiang Mai and Singapore is very weak. Nothing has been done to improve the system. The system must be improved and modernized. This includes communications in Bangkok Metropolitan, the water works, and the electricity and telephone networks.

"The Development Council is the scapegoat, because it is responsible for formulating plans. Besides this, the operational stages of the ministries responsible are poor. During the previous administration, Squadron Leader Prasong Sunsiri, the former secretary general of the prime minister, asked each ministry to send reports to the Government House every 15 days, but no one did," said the deputy spokesman for the Office of the Prime Minister.

**Industry Council Proposes Export Promotion Measures**

*42070036e Bangkok NAO NA in Thai*  
*14 Oct 88 pp 7, 8*

[Excerpt] [Passage omitted] The Board of Investment (BOI) has encouraged foreigners to invest in the production of export goods, and on many occasions this has affected domestic producers. A news source on the Economic Subcommittee, Industrial Council, told NAO NA that the Industrial Council asked the subcommittee to conduct a study in order to formulate a position on this matter. This will then be submitted to the BOI.

The Economic Subcommittee has finished summarizing the results of the study and has submitted its findings to the Industrial Council. It stipulated eight measures on this.

The policy on promoting investment in the production of goods for export should take into consideration the types of goods on an individual basis based on the following criteria:

1. If an item is no longer being promoted, in providing promotion, it must be stipulated that all of these goods must be exported.

2. If an item is still being promoted and the Industrial Council feels that promoting the item will have an adverse effect on domestic producers, in promoting the item, it should be stipulated that all the goods must be exported.

3. If an item is still being promoted and the Industrial Council does not feel that promoting the item will have an adverse effect on domestic producers, in promoting the item, it should be stipulated that most of the goods should be exported. The exact percentage of goods to be exported should be calculated based on the percentage of shares owned by Thai, the percentage of domestic raw materials used in the project, the type of technology imported for use in the project, the location of the project plants, and the number of people employed in the project.

4. In cases in which foreigners are producing goods for export based on GSP rights granted to Thailand by the United States or similar rights granted by Europe, the following criteria should be considered in considering whether to promote an item: If the item is not yet being produced domestically, it should be promoted. But if producers are already producing this item for export, it should first be determined what the value of Thailand's annual exports are for this item, how many producers have been granted promotion rights, and, if based on production capacity, what the value will be.

If the present value of exports plus the value based on production capacity is equal to one-half or more than

one-half of the export quota based on Thailand's GSP rights, consideration should be given to the percentage of Thai shares in the project before promoting the item.

5. In cases in which products are promoted for export of the bulk of the goods, the tax on the goods sold domestically should be the same as that on imports. This will make things fair for domestic producers who do not receive promotion.

6. In promoting production for the export of the bulk of the goods, for "supporting industry" projects, Thai should hold at least 40 percent of the shares.

7. Reducing or waiving trade and revenue taxes on promoted activities should be stopped. The money can be used to build public utilities.

8. Pressure should be applied to get the private sector involved in building public utilities.

The results of this study were submitted to the executive committee of the Industrial Council on 11 October. The executive committee agreed with all of the proposals except No 7.

"That means that the Industrial Council's position on this matter contains seven points, which will be submitted to the BOI," said the news source.



## POLITICAL

### GDR Vietnamese Association Chair Discusses Renovation

420/0041 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Sep 88 p 2

[Article excerpted from remarks of Bui Van Nam Son, Chairman of the Association of Vietnamese in the German Democratic Republic, representing Associations of Vietnamese in Foreign Countries, date and location not provided: "Renovation Is Very Crucial, Helping the Overseas Vietnamese Movement Out of Crisis" (title provided by SGGP)]

[Text] The overseas Vietnamese movement and patriotic organizations (including movements of friendly foreign countries in unity with Vietnam) are hopeful for renovation, which they view as a unique, historic opportunity for our country to overcome serious current difficulties, save the economy and daily life of compatriots, attain the level of advancement of the world in a timely manner, restore the status and values of revolutionary ideals that are eroding, and, day by day, change our homeland into a kingdom of freedom, which everyone awaits and believes in. We sincerely support renovation, because renovation is very critical if overseas Vietnamese movements are to prove themselves and quickly escape from the profound crisis currently confronting them.

We follow the revolutionary changes coming out of the Soviet Union and friendly socialist countries with great encouragement. We are all the more intent in our interest and efforts to keep well informed of each step in renovation in our homeland. Against the background of the old structure of thinking, which was filled with difficulties and impediments, it is truly heartening to see the successive promulgation of many correct policies and the opening up, whether internally and externally—among them many policies of openness toward overseas Vietnamese. It may be said that after national liberation and unification the current renovation program is a decidedly strategic national juncture. It would be impossible not to admire the exemplars of brave, bold resolution to support renovation, truly support the place of each person in such circles as the press, the arts, intellectuals, trade unions, and fronts in each part of the country, and admire the honest words spoken here in Ho Chi Minh City in democratization forums of the city front, of National Assembly representatives, of former resistance fighters' clubs, and of the press and artists—to name only the most prominent. On the other hand, all sensitive persons, whether inside or outside the country, are unanimous in their sympathy and anxiety over the perilous socioeconomic situation here, especially when thinking of the large rural areas faced with starvation and of the differences between policy and implementation, between our country and neighboring countries. Along with sympathy, there are common worries. The letter sent by the Associations of Vietnamese in Foreign

Countries to the National Assembly dated 20 June 1988 stated, "Viewed from outside, if the Vietnam revolution has ever caused enthusiasm around the world, it does today, when very many people are concerned about the attitude of hesitancy and compromise of the revolution in the fight against the ideology and influence of conservatism and slowness. Vietnam is appealing for investment with an open, broad law. But who will implement it? Many government agencies are operating slowly, because progress and aggressiveness coexist with slowness and conservatism. Personnel changes are in many cases only reshuffling, changing places." The 22 May 1988 communique of the Fifth Congress of our Association of Vietnamese in the GDR also stressed: "The world situation, the current of renovation in socialist countries, and the situation in our country are encouraging the leadership and all our people to rapidly improve the nation according to the present needs of socialism. Only by thoroughly renovating the organizational and personnel mechanisms and stopping the tendency and influence of conservatism and slowness can the spirit of the Sixth Party Congress be developed and put into the concrete form of an integrated program of action with multiple strategies based on emphasizing objective, scientific re-examination of many basic concepts of economic construction, of industrialization on non-traditional lines, of raising the standard of living, and of democracy and social justice. This will lead to resolution of the structural flaws in the dogmatic socialist model, which has been backward in many aspects, in order soon to build for our country a socialist model that is appropriate for dealing with the challenges of the times."

### Honorable Representatives

Like a number of countries that are faced with crisis from having suffered many types of misfortunes due to prolonged periods of conservatism and mistakes, it is clear that our country does not have enough strength to endure regression. Without thorough renovation, the country's backwardness will lead it further astray, until it would be hard to rescue it. Furthermore, the situation and the challenges to strategies of national development in the present world and regional situations do not give our country much time to think and develop alternatives to select from. The valuable experience of our country's revolution and of countries rapidly developing around us reveals that the best way out of a dire situation is always the result of an extremely fortunate meeting of far-sighted and broad enlightenment on the part of the political leadership with the intelligence, knowledge, and enthusiastic participation of the people. Presently, our party's course of renovation to enlarge capabilities for large-scale cooperation and bring our country into participation with development to raise the standard of living in the countries of Southeast Asia—a region of promise for the 21st century with political and economic conditions favorable to our country—can only be implemented with the strong support of the people via democratization. Democratization is not just a fervent subjective aspiration of the people, along with independence,

peace, and basic necessities. As we see it, democratization is a basic feature of the times afforded by the revolution in science, technology, and information science and by modern means of production, when the situation in international relations changes and the model of narrowly focused development and political autocracy, as in the Soviet Union in the 1930's, in South Korea and Taiwan in the 1960's, are no longer efficient. Respecting the initiative of the individual and the installation, utilizing talent, and creating conditions favorable to the free development of brain power are not only eternal ethical principles, but constitute the approach adopted by all contemporary social economies. The institution of thorough political, economic, and social democracy is therefore a measure of honest resolve to renovate the country, and is also a fundamental method for eliminating shortcomings, reversing the current mood of frustration and discouragement in society, awakening people to life, and tapping the limitless creativity of the people. It is our opinion that by truly implementing full freedom and democracy, the revolution will not only keep its sacred promise in adverse times, making the Vietnamese people proud to be citizens of a civilized nation, but will contribute to providing socialism a new structure that is appropriate to its scientific and liberal nature.

These thoughts lead us to concur with the outlook that the main, pervasive problem in the process of renovation is that of implementing democracy, and we are happy to see that the Fatherland Front considers that the main and primary task of the front from now on will be building and developing socialist democracy. That task is critical not only because the democracy of the people is being being violated to a serious extent, but because the role of the masses—the main force of the revolution—has been reduced, and agencies representing the democratic rights of the people still operate in a formalistic fashion. We are furthermore of the opinion that renovation of front activities depends on a deeper understanding of the necessity for distinguishing and redefining the roles, capabilities, and rights of the various elements in the politico-social mechanism (comprised of the party, administration, front, democratic organs, and mass organizations throughout the socialist state), not allowing any element to usurp, encroach upon, and substitute itself for the whole, while on the other hand each of those agencies operates on its own initiative, with objectivity, with mutual competition and inspection to guarantee the rights and lives of the people. To renovate the political structure in this way is also a preliminary requisite to promoting socioeconomic renovation. We recall being attracted to the National Unity Front of the resistance period not with a feeling of nostalgia, but to see more clearly the persuasive power of unity between the "term" and the "reality."

In the socialist revolution of today, when the party directly leads the government and the government has the nationwide management mechanism and authority, the front must look for new unity of term and reality in

the role of serving as the true voice of the people, as the agency openly and strongly fighting for and protecting the legitimate and legal rights of the various classes of the people, as an abundant channel of citizen initiative, and as a source of feedback and evaluation of the administration's effectiveness in order to create a strong synergism for the new regime. Our rudimentary democracy will be firm only when a civil society (*societe civile*) can combine and properly coordinates the coercion of the government and the law with self-management and self-organization by the masses on the grassroots level. Civil society (notably including the press, public opinion, science, and alliances in the front) has the further effect of developing, protecting, and strengthening the regime because it gives it the capability to correct and renovate itself on a regular basis. It is therefore strange and incomprehensible to see budding and thoroughly welcome freedom of the press and freedom of initiative, research, and information confronted with obstacles, as witnessed in results obtained by the press association over the 1-year implementation of Directive 15 of the Secretariat dated 20 September 1988. And it is also truly harmful and has adverse effects for the front to be continually mistaken for an organ of administration work or totally part of or an unnecessary lengthy extension of the administration. It is all the more dangerous for the people themselves not to find themselves and their power reflected in the front and in democratic organs. Such political liberality must be an absolute principle in a social system that writes honesty and the people on its flag.

In view of this, we hope again that the front is truly a front of all the people, protecting and struggling for the cause of renovation, not only a defensive front, but an offensive front attacking bureaucratic mistakes in order to contribute to a reversal in the situation.

#### **Honorable Representatives**

Returning to our work in foreign countries, over the past 2 years, movements and the Associations of Vietnamese in Foreign Countries have also been on the search for ways to renovate activities. If the associations do not renovate and liberalize, they will not be able to maintain forces, to say nothing of opening doors to receive and cooperate with the large and diverse community around them. The Special Congress "for a renovated, capable, and developed Vietnam," held by the overseas Vietnamese movement in the GDR in September 1986 to contribute opinions to the Sixth Party Congress, and the recent (May 1988) Fifth Regular Congress of the Association of Vietnamese in France and that of the Association of Vietnamese in the GDR highlighted our concept of renovating our movements. The main approach for renovating the movements is none other than making the association thoroughly democratic, respecting the freedom of members to express their opinions, and carrying out each activity through democratic acceptance in keeping with the nature of mass organizations.

In the current situation of difficulties that can easily diminish enthusiasm, thinking must be all the more respectful of ambivalent feelings caused by the concern of members for the future of the country and of the movement, and trust is placed in the patriotism and clear motivation of each member currently in the movement. The large volume of suggestions and the diversity of contributions and forms of self-organization are stimulate thought and enrich activities in the spirit of mutual understanding and respect and orientation toward a common goal. Considering with a broad perspective the large community of over 2 million overseas Vietnamese, current overseas Vietnamese associations and movements should be all the more aggressive in preparing moral and organizational conditions for starting work to build a united front of coalition in the spirit of broader national accord, with much more diversity and richness than there is now (to say nothing of overseas Vietnamese in Second- and Third-World countries with many special features). In the course of spending much of the community's time and effort on ourselves, we neither expect unity, or even total unanimity, on all problems of the country, nor can we shut the door of feelings with a narrow attitude, distrustful of many convictions. Though in differing circumstances and conditions, Vietnamese living in foreign countries must be considered as one global Vietnamese people with sentiments of inwardly hoping that the nation will be renovated in order to receive their share of pride and honor, with all the first rights and duties expected of a people. That community, the continuation of which is made possible by an attitude of honest treatment and appropriate policies, is also a significant force of support and abundant contribution to the renovation and modernization of the country, a factor that must be taken into serious consideration in construction strategies.

Thus, a broad entity with the character of a "front" is beginning to unfold overseas. We particularly hope and trust that the Fatherland Front of Ho Chi Minh City, with the role and mission assigned in the spirit of renovation, in Ho Chi Minh city itself, the beloved city from which the majority of overseas Vietnamese depart and return and a place with very many families with relatives in foreign countries, will include the problem of mobilizing and supporting the Unity Front of Overseas Vietnamese on the agenda of this congress, with full consideration and effective organizational measures. We suggest that the Front attach more importance to tapping aspirations, researching policy proposals, and protecting the rights of the overseas Vietnamese community alongside administrative management on the part of the state by government agencies. On our part, we promise the congress that we will make positive contributions to strengthening and developing relations that are useful and filled with affection.

**Vietnam-Hungary Friendship Club Established**  
BK2112080688 Hanoi VNA in English  
0705 GMT 21 Dec 88

[Text] Hanoi VNA December 21—The Vietnam-Hungary Friendship Club was founded here yesterday, drawing a

large number of those who once studied and worked in Hungary.

Tran Hong Quan, alternate member of the Communist party of Vietnam Central Committee and member of the Presidium of the Vietnam Union of Peace, Solidarity, and Friendship Organizations, and Hungarian Ambassador Szurovsky Oskar.[sentence as received]

Addressing the event, Tran Hong Quan and ambassador Szurovsky Oskar expressed their belief that the club would contribute to further consolidating and promoting solidarity, friendship, and cooperation between Vietnam and Hungary.

The managerial board of the club was set up under professor Dr Tran Dac.

#### **NHAN DAN Hails New Developments in Middle-East**

BK2212081388 Hanoi VNA in English  
0705 GMT 22 Dec 88

[Text] Hanoi VNA December 22—The Middle East situation is evolving with positive developments, attracting attention from public opinion throughout the world, says NHAN DAN daily in a commentary today.

The paper recalls the proclamation of an independent Palestinian State which has so far been recognized by more than 70 countries and the adoption by the United Nations General Assembly of a resolution calling for an international conference on peace in the Middle East and another resolution recognizing the independent Palestinian State as an observer of the United Nations. It says:

"These are important political and diplomatic victories of the Palestinian people, resulting from their persistent struggle over the past 4 decades for their fundamental national rights."

The paper welcomes the Palestine Liberation Organization's goodwill attitude, flexible stance, and great efforts aimed at surmounting all obstacles. It continues:

"The PLO's decisions have opened up new prospects for the settlement of conflicts in the Middle East. That the United States agreed to have direct talks with the PLO after 13 years has shown that it cannot reject the latter's role in a Middle East solution. Washington's deed is in conformity with the common trend demanding for an international conference on the Middle East with the participation of the PLO. The U.S.-PLO dialogue has increased the possibility of a breakthrough in the Middle East stalemate and demonstrated both sides' practical attitude.

"The Vietnamese people welcome positive changes in the Middle East and reaffirm their strong support for the Palestinian people's struggle for their fundamental national rights," NHAN DAN concludes.



### **NHAN DAN Commentary Hails Brunei Delegation's Visit**

*BK1812074288 Hanoi VNA in English  
0720 GMT 18 Dec 88*

[Text] Hanoi VNA Dec. 18—The national daily NHAN DAN in a commentary today hailed the freshly concluded visit to Vietnam by the Brunei Foreign Ministry delegation led by its Standing Secretary Dato Paduka Lim Jock Seng as a contribution to peace and stability in Southeast Asia.

The paper said: "The peoples of Vietnam and Brunei share the same desire to live in independence and peace and to develop their friendly and cooperative ties in the interests of peace and stability in the region. With this desire the two sides conducted talks on their bilateral relations and on regional and international questions of mutual concern. The results obtained from the visit have opened up a new prospect in the relationship between the two countries, beneficial not only to the two peoples themselves, but also to all other peoples in the region. The Vietnamese people note with satisfaction the good results of the visit, through which the mutual understanding, friendship, and cooperation between the peoples of Brunei and Vietnam will be developed as His Excellency Dato Paduka Lim Jock Seng told Chairman of the Vietnamese Council of Ministers Do Muoi."

NHAN DAN went on: "Like the visits by Malaysian Deputy Premier Abdul Ghafar Bin Baba in August 1988, and by Indonesian Foreign Minister Ali Alatas and Philippine Foreign Secretary Raul Manglapus in November this year, the visit by the standing secretary of the Brunei Foreign Ministry constitutes a meaningful landmark in the development of the neighbourly, friendly, and cooperative relations between ASEAN member states and Vietnam. Taking place in a background of positive regional and world developments towards dialogue and cooperation, the fine results of those visits are vivid manifestations of the aspiration shared by the people of Vietnam and other nations for a Southeast Asia of peace, stability, friendship, cooperation, and free from nuclear weapons."

### **Third Municipal People's Council Holds 14th Meeting**

#### **Session Hears Economic Report**

*42090062 Ho Chi Minh City SAIGON GIAI PHONG in  
Vietnamese 29 Oct 88 p 1*

[Excerpt] [SGGP] On the morning of 28 October, at the seat of the municipal people's committee, the 3rd municipal people's council held its 14th meeting to evaluate the implementation of the socioeconomic plan for the first 9 months of the year and to discuss key tasks for the remaining months. In attendance were 111 councillors (of a total of 149).

The report of the municipal people's committee, delivered by Vice Chairman Nguyen Cong Ai, stated that, in the past 9 months, industrial and small industrial and handicraft production has gone up, achieving a gross output value of 29.6 billion dong and 69.7 percent of the year's plan—a 22.3 percent increase from the same period last year—but that the jury was still out on economic efficiency in the face of many imponderables, difficulties, and complexities marring the socioeconomic situation throughout the city, and a lack of clear breakthrough in all activities, from production, distribution, and circulation to exports-imports. The report urged the city to promptly modify and strengthen problem areas relating to policies, managerial structure and organization of cadres and resolutely implement correct policies and measures as outlined in central and municipal CPV committee resolutions.

The report also emphasized that one of the main reasons for the pinch lies in structural and political irrationalities (especially in taxation and exports-imports) and in the impact of weather on agriculture. All of this has presented laborers with hardships. Although 74,000 persons were given a job during the year, unemployment still affects more than 100,000 and is on the rise. The income of cadres, workers and civil servants is low—from 13,000 to 45,000 dong a month. Despite the attention of the municipal people's committee, the public health and education sectors are still in a bind. Some 3,000 cadres, workers and civil servants in the education sector have quit or switched employment while 5 percent of grade-1 students and 14 percent of students of grades 2 and 3 have dropped out. Social order and security, which had improved following implementation of Directive No 1 of the people's committee on restoring socioeconomic order, recently have shown signs of deteriorating. [passage omitted]

#### **Second Session Results**

*42090062 Ho Chi Minh City SAIGON GIAI PHONG in  
Vietnamese 30 Oct 88 p 1*

[Text] [SGGP] During its second day's session, the municipal people's council heard six reports by discussion groups and ad hoc committees. Nearly all these reports analyzed in-depth irrationalities and serious effects of tax policy on social life. There was even the allegation that "taxes caused people to lose their trust in the party and state." In his concluding address Phan Van Khai, chairman of the presidium of the meeting, stated that the people's committee has petitioned the central echelon eight times for a change in taxation. The municipal people's committee and council will keep requesting the National Assembly and Council of State to promptly consider changes in tax policies. Some councilors pointed out that living standards in the city have really declined, imposing enormous difficulties on laborers, especially retired cadres, war invalids, the armed forces, and cadres, workers and civil servants in the sectors of education and public health—difficulties having a noxious impact on social behavior. Other councilors stressed

the need to immediately unshackle rattan-bamboo production in particular, artistic handicrafts production in general, and exports-imports; to continually and promptly modify regulations and policies which were irrational and contrary to the resolution of the Sixth CPV Congress and other new resolutions of the central and municipal CPV committees; and to handle more properly the education and care of children and the publication of cultural products, blocking the publication of those having a harmful influence on history, culture, and national traditions.

Phan Van Khai stated that one of the city's major upcoming thrusts is to strengthen its economic ties to the outside, focusing on international cooperation (in production, exports-imports and tourism) in an open-minded and extensive but stable, strict and orderly manner (especially restoring order to exports-imports). It is important for the city to prepare properly all conditions, mostly the ranks of leading and vocational cadres (a demand which has not yet been met), in order to best implement its socioeconomic plans and programs in the days to come.

**Tam Dao District Holds Party Congress**  
*BK2212100788 Hanoi Domestic Service in Vietnamese*  
0500 GMT 17 Dec 88

[Text] More than 230 delegates representing more than 7,800 party members in Tam Dao District, Vinh Phu Province, attended the district party organization congress.

The congress devoted much time to discussing two major issues related to the quality of party members and the consolidation of party chapters and organizations at the grassroots level in order to lead the district to successful implementation of the socioeconomic targets.

After reviewing the implementation of state plans for 1987-88, Tam Dao District party organization successively pointed out the shortcomings to be promptly remedied, such as: the failure on the part of the district leadership to realize all the great and diversified potentials in the district; the low standard of intensive cultivation; the inability of the service system to catch up with renovation of management in agriculture; and the slow development of various trades and jobs. State-run trade, marketing cooperatives, and export sector still pay more attention to business than serving production and the people's welfare. A component of cadres and party members have degenerated and engaged in negativism, causing the people to lose confidence.

In 1989-90, the congress of Tam Dao District party organization set forth measures to implement the main targets: Grain production volume equivalent to rice will be brought up to 62,000 tonnes in 1989 and 64,000 tonnes in 1990 including 25 percent of subsidiary food crops. Per capita grain allocation will be averaged to 345 kgs in 1989 and 350 kgs in 1990. The volume of grain to

be delivered annually to the state will be around 13,000-13,500 tonnes. The volume of pork sold to the state will be 1,000 tonnes in 1989 and 1,200 tonnes in 1990. The yearly value of consumer goods will increase by 10-15 percent whereas the value of exports will reach 8-8.5 rubles or dollars per capita. The rate of population growth will decrease to 2 percent per year.

**Lam Ha District Holds First Party Congress**  
*BK2312051788 Hanoi Domestic Service in Vietnamese*  
0500 GMT 19 Dec 88

[Text] A new district, Lam Ha, of Lam Dong Province recently successfully held its first party organization congress. The district was officially established on 28 October 1987; it incorporated the Hanoi new economic zone in Lam Dong Province with five villages in Duc Trong District.

The Lam Ha District party organization congress scrupulously pointed out five weaknesses in its socioeconomic activities and the declining quality of its members. Individualism, departmentalism, and localism is still manifested in several forms and the party organization has not considered all of the peculiarities and the complexity of the process of building new economic zones while the movement for settled life and farming still takes time to renovate because the ways of thinking and doing things still reek of heavy reliance on the state.

The Lam Ha district party organization congress set forth socioeconomic guidelines and targets for 1989-90 that consist of vigorously accelerating agroindustrial production and the handicrafts and artisan industry; renovating the management mechanism of scientific and technical activities and distribution and circulation; redistributing laboring people in new economic villages and minority people of all nationalities; maintaining security and national defense; and intensifying the task of building the party, administration, and mass organizations.

As an immediate step, the district will expand its agricultural land and carry out intensive cultivation to increase yield in order to reach the per capita grain allocation of 300 kgs in 1989.

**City's Contribution to New Youth Policy**  
*42090062c Ho Chi Minh City SAIGON GIAI PHONG*  
in Vietnamese 29 Oct 88 p 1

[Text] [SGGP] In preparation for a social youth policy to be proposed to the state, the city's science and education committee and proselytization committee have cooperated with the central committee of the Ho Chi Minh Communist Youth Union to carry out, by way of sociologic investigations and seminars, a program entitled, "A Policy Toward the Young Generation," which includes 32 subjects, focusing on problems relating to each category of youths. Dang Quoc Bao, chairman of the central science and education committee, is program director.

As part of that cooperation, the city has decided to study nine topics dealing with municipal youths such as, "A Policy Toward the Young Generation," "Models for Youth Behavior by the Year 2000," "Youths and Work," "Worker Youths," "Peasant Youths," "Ethnic Chinese Youths," "Overseas Vietnamese Youths," "School Youths," and "Patterns for New Activities of the Communist Youth Union." Pham Chanh Truc, standing committee member and chairman of the proselytization committee of the CPV municipal committee, is director of that subprogram. On the morning of 27 October 1988, at a press conference to introduce the board of directors, committees in charge of individual topics and methods of work, Pham Chanh Truc stated that seminars would be held extensively at many places in the days to come, calling on youths, parents and those concerned about the younger generation to take part in the discussion.

## MILITARY

### Military Region Views Border Defense Coordination

BK2312061588 Hanoi Domestic Service in Vietnamese  
0500 GMT 19 Dec 88

[Text] The 7th Military Region Headquarters has discussed and unified its border defense plan and project with agencies representing the border defense commands in Ho Chi Minh City, localities, and units stationed in the region. It has dispatched many operational teams to localities to guide border districts and border defense units in intensifying their security and defense tasks.

In the recent past, units and localities in the region have detected more than 400 cases of smuggling across the border, discovered hundreds of people illegally residing in the border defense area, arrested more than 258 smugglers across the border, and seized billions of dong-worth of contraband.

In the districts of Tan Thanh, Loc Ninh, and Tan Bien more than 12,000 km of patrol roads along the border have been repaired, the area surrounding over 2,000 observation points has been cleared, thousands of people have been mobilized to open roads and build guard posts, and scores of border patrol detachments have been consolidated.

The border defense force of Tay Ninh have coordinated with militia and self-defense forces to conduct patrols and perform guard duties, and detected 112 cases of cross-border smuggling.

The border defense force of Song Be Province together with the provincial military agency have dispatched operational teams to targeted villages in the border area to inspect training and combat readiness, and organize additional patrol detachments to protect the border defense area.

Units and localities in the 7th Military Region have further coordinated with the friendly armed forces and people across the border to conduct combined operations to track down and arrest criminals and smugglers who have infiltrated the border defense areas of both countries.

## ECONOMIC

### Power Line Built With Soviet Assistance Goes on Line

BK2212025388 Hanoi VNA in English  
1516 GMT 21 Dec 88

[Excerpt] Hanoi VNA Dec. 21—A 220 kv-power line stretching from the Township of Hoa Binh to Ha Dong Provincial Town, Ha Son Binh Province, is put to use today after more than one year of construction.

This 58 km-long cable line supported by 139 pylons will carry electricity generated by the biggest Hoa Binh Hydro-Electric Power Plant, whose first generator group is expected to be operational soon.

For the time being the line, built with Soviet assistance to replace the old one now under reconstruction, transmits electricity from the national grid to serve the construction of the plant. [passage omitted]

### Improvements Demanded To Prevent Extensive Tax Loss

42090043 Hanoi NHAN DAN in Vietnamese  
7 Sep 88 p 2

[Article by Tran Thai Viet: "Ho Chi Minh City: Industry, Trade Tax Evasion, Countermeasures"]

[Text] Very fast-paced, diverse, and complicated production and business activities are conducted in Ho Chi Minh City daily. The effort to get all establishments to register production and business therefore encounters many difficulties, which provides many loopholes used by private businesses to evade and dodge taxes, leading to the continuing loss of tax revenue.

According to reports of the Directorate of Industry and Trade Taxes, Ministry of Finance, the tax collection rate of the city for 1986 was 43.7 percent for businesses, 40 percent for commodities, and for the first 6 months of 1988 the city only collected 13.6 billion dong, 20 percent of the planning quota for the year. The year-end prediction is for at least 20 percent of the businesses, a revenue loss of up to 40-50 percent.

Tax loss occurs in many ways; among them, the many forms of tax evasion by private businesses constitute a rather complicated problem. In order to conduct a high-volume business without paying taxes, private businesses usually seek out contacts in state agencies that need to expand production and service bases to increase income for the unit. After receiving "support" from



these agencies, the private businesses provide their own capital and labor for the business, and only have to pay a small tax on the percentage of profit given the agency providing direct "support." In addition, they are not required to pay any fees and have complete tax exemption. Preliminary investigations of the Ho Chi Minh City Industry and Trade Tax Branch uncovered the open existence of at least 400-500 "business" concerns of this type. Another form of tax evasion involves exploiting the name of state agencies. At the municipal food and foodstuffs corporations, private businesses ask to come in and act as agents for the sale of commodities, representing themselves as "centipede legs" of the state-operated commodity business sector. Actually allocated only a very low volume of business, these businesses then use this to bring in their commodities and sell them without paying any taxes. One agent selling pork for the Food Products Corporation was authorized to sell 1 ton of meat a day, but actually sold up to 3 tons on a regular basis; the tax agency investigated and posted a notice, but still could not collect taxes because they were only "agents" for the state-operated installation. With ward and sub-ward permission, businesses also hide under the designation of "cooperatives" and "production teams." They only have to pay the sub-ward a small fee, and are tax-exempted. There are also instances in which private businesses evaded taxes by lateral sales. In Cho Lon, the tax agency found a merchant selling goods out of his house, but with a volume approaching tens of millions of dong. Many other outlets have been operating secretly for many years, but there is no way for the tax agency to collect taxes from them.

This loss of tax revenue from tax evasion by private industries is not as serious as losses from volume. Most merchants only declare 50-60 percent of their sales volume, and tax payments are also only 50 percent of what they should be, with some businesses even paying only 30 percent of what they should. Investigations in the Third Precinct revealed that the 268 registered businesses declared 68,514,000 dong in receipts, but actual investigation indicated up to 160,515,000 dong, 234 percent of the declared amount. Also in the 13th Precinct, there were 36 cigarette sales outlets, 5 of them with a sales volume of 60 billion dong, with an average profit for each of 2 billion dong. If the 40 percent tax on profits from the sale of cigarettes was collected in accordance with current policy, each outlet should have paid 903,400 dong, but each actually only paid 270,000 dong. The state thus lost millions of dong within 6 months just from the above outlets.

Instances of tax loss through tax agencies setting taxes below the actual business volume of private businesses are widespread and serious. Only considering the more than 90,000 registered businesses, tax loss from setting taxes too low have approached tens of millions of dong. On the other hand, there is the situation of taxes on commodities that have been dispersed. In the first 6 months of 1988, the city relinquished 2 billion dong in commodity taxes from an inability to keep track of

merchants. In addition, it is very difficult to manage local merchants bringing in goods from outside. Their practice is to hire someone to buy goods up from diverse locations, leave the goods along the road, and contract with drivers to come and pick them up. Tax agencies can seldom control and arrange for tax collection at the point of origin.

Another cause of tax loss is the low professional level of cadres in the sector, who lack concrete control and inspection methods and fail to keep track of the number of production and business concerns and their sales volumes. In some instances, tax cadres have tried to cover up for private businesses so they do not have to pay taxes, or conspire with private businesses to lower sales volumes in order to pay taxes at a very low level that does not reflect the true volume. In the 10th Precinct, the Municipal Tax Branch uncovered a case of three tax cadres who, in collusion with private businesses, lowered taxes to below 50 percent; these tax cadres split the remaining 50 percent with the private businesses. Similar cases occur in a rather widespread manner in the tax sector.

On the other hand, there are presently a number of unreasonable aspects to our tax policy that require prompt correction.

To stop tax loss and ensure rational and just tax collection oriented toward promoting production, the tax cadre force in Ho Chi Minh City must be strengthened and their professional standards raised. The tax directory must specifically categorize tax cadre personnel, implement professional regulations, and request that all basic-level echelons employ measures for stern, prompt punishment for misconduct, expelling from the tax sector cadres that lack quality or are weak in ability.

Agencies, enterprises and sub-wards, and the tax sector must take the initiative to submit suggestions to the Municipal People's Committee, unify the effort to manage private production and business concerns, and not allow the situation in which tax evaders are investigated and uncovered in some places, while in others they are hidden. We must ensure uniform and strict implementation of the tax law in all state agencies and private businesses, and fight against compartmented interests, which lead to tax loss.

#### **Partial Construction Completed for Oil Refinery Complex**

42090073a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 9 Nov 88 p 1

[Text] The Petrochemicals Refinery Construction Corporation (Ministry of Building) has started construction at the oil refinery project site and Thi Vai Port in Chau Thanh District, Dong Nai Province. The oil refinery complex consists of three main production lines and

nine tanks capable of containing 210,000 cubic meters of oil each. The crude oil that has been refined will have a greater export value than the unprocessed oil.

After 5 months the corporation has so far built 3,380 square meters of housing for its workers, 2 houses for Soviet technicians, 1,125 square meters of warehouses to hold materials and equipment, and a power generating station; installed 1,000 meters of three-phase transmission lines and telephone lines; dug 2 wells supplying water at the rate of 40 cubic meters/hour; and installed and assembled water supply lines. The corporation is striving to complete the project by the end of 1990. It has begun to build the foundation for the assembly and installation of 60 kilometers of oil pipeline to bring oil from Long Hai to the oil refinery construction site and the Tuy Ha petrochemicals refinery, and another line to Thi Vai Port.

#### **Foreign Technology Transfer Regulations**

*BK1512160588 Hanoi Domestic Service in Vietnamese  
1100 GMT 12 Dec 88*

[“Text” of the SRV Council of State’s 5 December 1988 Ordinance on the Transfer of Foreign Technology to Vietnam]

[Text] With a view to constantly increasing the country’s industrial capacity and accelerating socioeconomic development in conformity with the policy of expanding economic, scientific, and technical cooperation with foreign countries, pursuant to Articles 16, 43, and 100 of the SRV Constitution, these regulations stipulate the transfer of foreign technology to Vietnam.

#### **Chapter I: General Stipulations**

Article 1. The SRV State encourages organizations and individuals abroad to transfer technology to Vietnam under the principles of equality and mutual benefit. The Vietnamese State will guarantee all rights and legal interests for those organizations and individuals abroad who transfer technology to Vietnam, and will create favorable conditions for such transfers.

Article 2. The terminology in these regulations will be understood as follows:

1. Technology transferring side is the side involving one or more economic, scientific and industrial organizations, or other organizations with the legal status of an artificial person, or individuals abroad with technology to be transferred to Vietnam.
2. Technology receiving side is the side involving one or more economic, scientific and industrial organizations, or other organizations with the legal status of an artificial person, or individuals in Vietnam receiving technology.
3. The two sides are technology transferring and receiving sides.

Article 3. The following activities are considered technology transfer:

1. Transfer of ownership or use of inventions, useful means, or other industrial properties.
2. Transfer of technical and specialized secrets or knowledge in the form of industrial projects, design documents, formulas, or technical parameters, with or without equipment.
3. Providing supporting services and technological advice, including both training and information.

Article 4. In transferring technology to Vietnam, the following requirements must not be overlooked:

1. The raising of technological standards, production results, and product quality, or creating new products.
2. The maintenance of production safety.
3. The rational use of energy, all resources, and manpower sources.
4. The protection of the environment.

Those fields to be encouraged in technology transfers will be announced by the SRV Government.

#### **Chapter II: Technology Transfer Contracts**

Article 5. Technology transfers of a commercial nature or liable to rights and obligations must be realized through written contracts.

Article 6. Technology transfer contracts must contain the following fundamental clauses:

1. Technology transferrer: Name, contents, technological characteristics, and results to be achieved.
2. Costs, conditions, and payment procedures.
3. Location, time, and rate of transfer.
4. Clauses concerning industrial property.
5. Time of validity and conditions for modifying and concluding contracts.
6. Commitments by both sides to quality, extent of credibility, guarantee for and secrecy of technology, and other pledges to ensure the non-existence of errors in the technology and technology transfer.
7. Training related to the technology transfer.
8. Procedures for settling disputes generating from implementation of technology transfer contracts, and laws in effect when settling disputes.

Article 7. The following terms must not be entered in contracts unless permission is obtained from an authoritative SRV organ:

1. The technology transferee is tied to conditions for buying raw materials, supplies, production materials, or intermediate products and/or employing manpower from a source designated by the technology transferrer.
2. Manipulation of the scale of production, prices, and scope of product sales of the technology transferee, including the selection of sales agents or trade representatives.
3. Limitations on the export market for the technology transferee, except for those areas where the same kind of production and product sales are being carried out by the technology transferrer or where exclusive license has been given to a third party.
4. Limitations on the technology transferee from studying and developing similar technologies transferred or received from other sources.

Article 8. The price of transferred technologies will be agreed upon by the two sides concerned.

Article 9. The two sides may agree on payment for technology in accordance with the methods of making a single payment or paying in installments, or using a combination of the two payment methods.

Article 10. The term of a contract must not exceed 7 years, counting from the day when the contract goes into effect. In case of need, the authoritative state organ may authorize a longer term.

Article 11. Each side may ask for information on improvements and renovations to the transferred technology made by the other side within the effective period of the contract involved. In cases where one side is interested in those improvements and renovations mentioned in this article, the other side is dutybound to transfer the required improvements and renovations on a reciprocal basis.

Article 12. All disputes between the two sides arising from implementation of the contract must first be settled through negotiations. In the event no agreement can be reached by the disputing parties, the issue will be referred to the Vietnam Board of Arbitrators or another mediating organization or juridical organ agreed upon by both sides concerned.

#### **Chapter III: Ratification of the Contract for Technology Transfer**

Article 13. The technology transfer contract will only become effective after being ratified. The technology transferer, the technology transferee, or both of them may submit applications for ratification of the contract.

Article 14. Documents concerning the application for ratification of the contract must be forwarded to the authoritative Vietnamese state organ concerned. These documents are:

1. An application for ratification of the contract.
2. The technology transfer contract and attached appendices.
3. An explanation of the objectives and feasibility in application of the transferred technologies.
4. Information concerning the legal status of those parties involved in the contract. The contract and its attached documents must be written in Vietnamese and a commonly-used foreign language agreed upon by both sides. The Vietnamese and foreign-language copies are of equal value.

Article 15. The authoritative organ concerned shall announce its decision to ratify the contract within 3 months of the day when all documents were received as prescribed in Article 14 of this ordinance. The ratification decision shall be announced under the form of a permit for technology transfer.

Article 16. The technology transfer permit may be revoked and the contract will automatically become null and void if there is a falsification in asking for ratification of the contract.

Article 17. The two sides may agree to amend, supplement, abolish, or extend the contract. These changes shall only become effective after they are approved by the authoritative Vietnamese organ concerned.

Article 18. The Council of Ministers shall stipulate the division of duties for ratification of the technology transfer contract and designate an authoritative state organ for ratification.

#### **Chapter IV: Rights and Duties of the Parties Involved in the Technology Transfer Contract.**

Article 19. The SRV Government shall promulgate various policies and enforce necessary measures to promote technology transfer with favored treatment given to priority cases.

Article 20. All taxes connected with the technology transfer shall be applied in accordance with Vietnam's legal documents on taxes.

Article 21. The technology transferrer is entitled to transfer payments abroad in cash or as agreed upon by both sides in the contract.

Article 22. The technology transferrer or transferee have the right to ask the authoritative state organ concerned for promotional measures or favored treatment at the



time of application for ratification of the contract or at a later time. The authoritative state organ concerned shall issue a decision to permit or deny promotional measures or favored treatment within 2 months of receipt of the request.

#### Chapter V: Final Clause

Article 23. Based on the principles stipulated in this ordinance, the SRV Government shall issue stipulations aimed at creating favorable conditions for Overseas Vietnamese to make technology transfers to their home country in order to contribute to national construction.

Article 24. This regulation does not apply to technology transfer in the framework of those agreements on scientific and technical cooperation and assistance signed between the Vietnamese Government and foreign governments unless those agreements stipulate otherwise.

Article 25. The Council of Ministers shall decide on detailed stipulations for the enforcement of this ordinance.

#### Footwear Production: With Foreign Partners BK2212152188 Hanoi VNA in English 1458 GMT 22 Dec 88

[Text] Hanoi VNA Dec. 22—A shoes production chain with a capacity of one million pairs of shoe uppers a year has been put into operation in the "July 20" Rubber Factory in Ho Chi Minh City.

This is part of the factory's joint venture with the Soviet shoes factory "TOMCK," which provides the former with equipment and will buy its half-finished products. In 1989, the Soviet side will make further investment to raise the capacity of the production chain to 3 million pairs a year.

The "TABIFAC" Plastic and Rubber Joint Enterprise in the Tan Binh Precinct of Ho Chi Minh City has won a \$1 million contract to produce 700,000 pairs of sandals for the Italian footwear firm "DEPONSECA."

Over the past 10 years "TABIFAC" has gained many contracts to produce shoes for its partners in the Soviet Union, Hungary, Poland, the German Democratic Republic, Czechoslovakia, Romania and Cuba.

#### Sundries Export-Import Corporation Exceeds Target BK2112074888 Hanoi VNA in English 0703 GMT 21 Dec 88

[Text] Hanoi VNA December 21—By December 12, the Vietnam National Sundries Export-Import Corporation (Tocontap) under the Ministry of External Economic Relations had surpassed its 1988 target of 22 million rubles.

Its main export items included shoes, sandals, and safety work clothing.

Tocontap plans to achieve 42 million rubles next year. So far, it has signed contracts worth more than 40 million rubles with its foreign partners.

## SOCIAL

#### Authorities Ignoring Public Concerns 42090070a Hanoi NGUOI CONG GIAO VIETNAM in Vietnamese 9 Oct 88 p 3

['Letter Box' column by the Editor's Office: "Things That Must Be Done Immediately"]

[Text] The editor's office has recently received letters from many readers in different areas of the country thanks to NGUOI CONG GIAO VIETNAM's publicizing of several problems from violation of the policy of freedom of religion to the misappropriation of land and housing, from enrollment to false accusation of a Catholic's political quality, etc. Wherever incidents or problems occur, NGUOI CONG GIAO VIETNAM has sent correspondents to investigate and articles have been published such as "Relying on Whom To Misappropriate Land?" (Da Nang), "a series of articles on the mental treatment of war invalids in Tan Ky" (Nghe Tinh), "The Fate of Land in Thai Nguyen," "From the Letter of a Female Teacher" (concerning student Le Ton Quy), etc. As of this time, however, we have yet to see one responsible agency in the locations of these cases reply to the readers. We consider this an "alarming silence" that disregards public opinion (especially the cases in Da Nang and the war invalid camp because it has been too long).

At the same time, the editor's office recently received a letter from Mrs. Nguyen Thi Nga of 38 Nha Chung in Hanoi reporting her false political accusation by the Dong Xuan-Bac Qua Market Corporation Director. A letter has been received from Van Tho, Nguyen Trong Huu and Nguyen Kinh of 149A Mai Hac De in Hanoi on misappropriations of land and illegal and unsafe addition of stories to buildings in this collective area by two families living there. A letter from Mrs. Nguyen Thi Quyen of Hamlet 7-Cau Giat in Quynh Luu District, Nghe Tinh Province, charged that although a "case of land theft and crop destruction" had been published in the Nghe Tinh newspaper, "forces remained inactive." Especially, a letter from a Catholic in Nghia Lo District of Hoang Lien Son Province suggested that a number of cadres in the Van Chan District People's Committee had ganged up to "destroy the fence and uproot sweet potatoes and a number of fruit trees" at the Nghia Lo Church (?), etc.

We have studied these letters and worked with involved agencies to resolve the problems and will send correspondents to the primary level to continue the investigation and clarify the truth.

Through the "Letter Box" this time, the editor's office hopes that the agencies and local areas involved with these cases will promptly reply to the readers, and uphold the role of public opinion in the process of democratization.

**New Upsurge of Red Tape in Public Security**  
42090052a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 6 Oct 88 p 4

[Text] In response to media criticism more than a year ago, public security units in the city improved their performance by issuing documents and resolving administrative

procedures faster, therefore making things easy for the people. The time required to approve a motorcycle title transfer or change of residence was reduced from 2-3 months to 5-7 days. At the public security office of the 10th precinct, the waiting time for a motorcycle title transfer was slashed from 80 days to 7 days. At present, however, sluggishness is back in many units. At the 3d precinct public security office, a citizen has to wait 15 days—instead of 3—for a duplicate birth, marriage or death certificate. At the highway traffic police bureau, registering a motorcycle after all necessary papers are submitted—usually completed in 5 days—now calls for a 30-day wait. At other public security offices in the 11th precinct (Tan Binh), a title transfer now takes 15 days instead of 7.

**END OF**

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